

**GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

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June 8, 2018

Independent Auditor's Report

To the Board of Commissioners  
Greater Alexandria Economic Development Authority

REPORT ON THE FINANCIAL STATEMENTS

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Greater Alexandria Economic Development Authority, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Greater Alexandria Economic Development Authority's basic financial statements as listed in the table of contents.

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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with 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. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

OPINIONS

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Greater Alexandria Economic Development Authority, as of December 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

-Member-

American Institute of Certified Public Accountants • Society of Louisiana CPAs

# **Greater Alexandria Economic Development Authority**

**June 8, 2018**

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## **OTHER MATTERS**

### **Required Supplemental Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the budgetary comparison information described in the table of contents 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Supplemental Information**

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Greater Alexandria Economic Development Authority's basic financial statements. The Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer is supplemental other information presented for purposes of additional analysis and is not a required part of the basic financial statements. This supplemental 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 my opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARD**

In accordance with *Government Auditing Standards*, I have also issued my report dated June 8, 2018 on my consideration of the Greater Alexandria Economic Development Authority's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Greater Alexandria Economic Development Authority's internal control over financial reporting and compliance.

RLR CPA, LLC  
RLR CPA, LLC  
Alexandria, LA  
June 8, 2018

# **GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2017**

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This section of the annual financial report presents my discussion and analysis of the Greater Alexandria Economic Development Authority's financial performance during the fiscal year ended December 31, 2017.

### **OVERVIEW OF FINANCIAL STATEMENTS**

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the Greater Alexandria Economic Development Authority's financial position and results of operations from differing perspectives which are described as follows:

#### **Government –Wide Financial Statements**

The government-wide financial statements report information about the Greater Alexandria Economic Development Authority as a whole using accounting methods similar to those used by private-sector companies. The government-wide financial statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the Greater Alexandria Economic Development Authority's assets and all of its liabilities. All of the Authority's activities are classified as governmental activities in the government-wide financial statements. The governmental activities are financed primarily by hotel occupancy taxes.

#### **Fund Financial Statements**

Fund financial statements provide detailed information regarding the Greater Alexandria Economic Development Authority's most significant activities and are not intended to provide information for the Authority as a whole. Funds are accounting devices that are used to account for specific sources of funds. All of the Greater Alexandria Economic Development Authority's funds are Governmental Funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental fund uses a modified accrual basis of accounting that provides a short-term view of the Greater Alexandria Economic Development Authority's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

### **FINANCIAL ANALYSIS OF THE AUTHORITY AS A WHOLE**

An analysis of the government-wide Statement of Net Position is presented as follows:

# **Greater Alexandria Economic Development Authority**

## **Management's Discussion And Analysis**

**December 31, 2017**

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	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Assets:</u></b>		
Current Assets	\$ 946,255	\$ 1,048,442
Capital Assets	656,135	656,887
Total Assets	<u>1,602,390</u>	<u>1,705,329</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	26,846	5,109
Long-term Liabilities	-----	-----
Total Liabilities	<u>26,846</u>	<u>5,109</u>
<b><u>Net Position:</u></b>		
Invested in Capital Assets, Net	656,135	656,887
Restricted-Grant Provision	-----	-----
Unrestricted	919,409	1,043,333
Total Net Position	<u>\$ 1,575,544</u>	<u>\$ 1,700,220</u>

As the presentation appearing above demonstrates, a substantial portion of the Greater Alexandria Economic Development Authority's net position (58.35%) is unrestricted and may be used to meet the Greater Alexandria Economic Development Authority's ongoing obligations. In addition, a portion of the net position (41.65%) is invested in capital assets.

An analysis of the government-wide Statement of Activities is presented as follows:

	<b>For the Year Ended</b>	
	<b>December 31,</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Revenues:</u></b>		
Program Revenue:		
Operating Grants and Contributions	\$ ---	\$ ---
General Revenue:		
Hotel Occupancy Taxes	860,934	856,306
Investment Income	5,260	7,320
Interest Expense	---	---
Other Income	19,917	1,199
Total Revenue	<u>886,111</u>	<u>864,825</u>
<b><u>Program Expenses:</u></b>		
Economic Development	<u>1,010,787</u>	<u>1,065,657</u>
Change in Net Position	(124,676)	(200,832)
Net Position Beginning	1,700,220	1,901,052
Net Position Ending	<u>\$ 1,575,544</u>	<u>\$ 1,700,220</u>

As the accompanying presentation demonstrates, the Authority has experienced an unfavorable financial trend in the current year. Net Position has decreased by \$124,676 representing a decrease of 7.33% over the net position for the previous year.

# **Greater Alexandria Economic Development Authority**

## ***Management's Discussion And Analysis***

***December 31, 2017***

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### **FINANCIAL ANALYSIS OF THE AUTHORITY'S FUNDS**

For the year ended December 31, 2017 governmental fund balances decreased by \$138,974. Differences between the decrease in fund balances and the decrease in government-wide net position are attributable to excluding capital assets and long term liabilities from the financial statements.

### **BUDGET HIGHLIGHTS**

For the year ended December 31, 2017, revenue exceeded budgeted amounts by \$27,946. Expenditures exceeded the budgeted amounts by \$12,570.

### **CAPITAL ASSET ADMINISTRATION**

In the current year there were no Capital asset acquisitions.

### **DEBT ADMINISTRATION**

There was no Debt activity in the current year.

### **FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS**

At the present time, no known issues are expected to have a significant impact on future operations.

**Greater Alexandria Economic Development Authority**

**Statement of Net Position- Government Wide**

**December 31, 2017**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and Cash Equivalents	\$ 824,417
Receivables (net)	104,838
Prepaid Expenses	15,050
Other Assets	1,950
Land	655,008
Depreciable Capital Assets	<u>1,127</u>
<b>Total Assets</b>	<u>1,602,390</u>
 <b><u>LIABILITIES</u></b>	
Accounts Payable	10,340
Grants Payable	16,506
Other Current Liabilities	<u>-</u>
<b>Total Liabilities</b>	<u>26,846</u>
 <b><u>NET POSITION</u></b>	
Investment in Capital Assets, Net of related debt	656,135
Unrestricted(deficit)	<u>919,409</u>
<b>Total Net Position</b>	<u>\$ 1,575,544</u>

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

# **Greater Alexandria Economic Development Authority**

## **Statement of Activities**

**For the Year Ended December 31, 2017**

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	<u>Governmental Activities</u>
Expenses:	
Economic Development	
Payroll	\$ 170,669
Employee Benefits and Payroll Taxes	45,360
Advertising and Marketing	2,538
Economic Development Projects	422,022
Professional Fees-Feasibility Study	217,040
Travel, Training, Conferences	5,420
Insurance	3,784
Legal and Professional	80,090
Materials and Supplies	13,135
Rent and Lease Expense	25,200
Utilities and Telephone	19,979
Depreciation	752
Other Expenses	<u>4,798</u>
Total Expenses	<u>1,010,787</u>
Program Revenues:	
Charges for Services	-
Operating Grants and Contributions	-
Capital Grants and Contributions	<u>-</u>
Net Expenses	<u>1,010,787</u>
General Revenues(Expenses):	
Hotel Occupancy Taxes	860,934
Investment Income	5,260
Other Income	<u>19,917</u>
Total General Revenues	<u>886,111</u>
Change in Net Position	(124,676)
Net Position - Beginning	<u>1,700,220</u>
Net Position - Ending	<u>\$ 1,575,544</u>

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

# **Greater Alexandria Economic Development Authority**

## **Balance Sheet - Governmental Funds**

**December 31, 2017**

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	<u>General Fund</u>
<b><u>Assets</u></b>	
Cash and Cash Equivalents	\$ 824,417
Receivables (net)	104,838
Other Assets	1,950
<b>Total assets</b>	<b><u>\$ 931,205</u></b>
<b><u>Liabilities and Fund Balance</u></b>	
<b><u>Liabilities</u></b>	
Accounts Payable	10,340
Grants Payable	16,506
Other	-
<b>Total liabilities</b>	<b><u>26,846</u></b>
<b><u>Fund Balance</u></b>	
Unassigned	904,359
<b>Total Fund Balances</b>	<b><u>904,359</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 931,205</u></b>

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

**Greater Alexandria Economic Development Authority**

**Reconciliation of Fund Balances on the Balance Sheet for  
Governmental Funds to Net Position of Governmental  
Activities on the Statement of Net Position**

**Year Ended December 31, 2017**

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Total Fund Balances - Governmental Funds \$ 904,359

Amounts reported for governmental activities in the statement of net position are different because:

Long-term debt and related accruals are not due and payable in the current period and are not reported in the funds.

-

Prepaid Expenses are not reported in the funds.

15,050

Capital assets used in governmental activities are not financial resources and therefore the following amounts are not reported in the funds.

Capital Assets

656,135

Net Position of Governmental Activities

\$ 1,575,544

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

**Greater Alexandria Economic Development Authority**

***Statement of Revenue, Expenditures and Changes in***

***Fund Balance - Governmental Funds***

***For the Year Ended December 31, 2017***

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	<u>General Fund</u>
<b><u>Revenues:</u></b>	
Hotel Occupancy Taxes	\$ 860,934
Investment Income	5,260
Other Income	<u>19,917</u>
<b>Total revenues</b>	<u>886,111</u>
<b><u>Expenditures:</u></b>	
Economic Development	
Payroll	170,669
Employee Benefits and Payroll Taxes	60,410
Advertising and Marketing	2,538
Economic Development Projects	422,022
Professional Fees-GRC	217,040
Travel, Training, Conferences	5,420
Insurance	3,784
Legal and Professional	80,090
Materials and Supplies	13,135
Rent and Lease Expense	25,200
Utilities and Telephone	19,979
Capital Expenditures	-
Other Expenses	<u>4,798</u>
<b>Total expenditures</b>	<u>1,025,085</u>
<b>Net Change in Fund Balances</b>	(138,974)
<b>Fund balance - Beginning of Year</b>	<u>1,043,333</u>
<b>Fund balance - End of Year</b>	<u>\$ 904,359</u>

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

**Greater Alexandria Economic Development Authority**

**Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balance of Governmental Funds to the  
Statement of Activities**

**Year Ended December 31, 2017**

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Net change in fund balances of Governmental Funds \$ (138,974)

Amounts reported for governmental activities in the statement of  
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period. 15,050

Governmental funds report prepaid expenses as expenditures. However, in the  
statement of activities the cost of these expenditures are reported as an  
asset.

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities the cost of those assets is allocated over  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period. (752)

\$ (124,676)

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

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2017**

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### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Greater Alexandria Economic Development Authority has been established under Louisiana Law to engage in cooperative economic development activities with the City of Alexandria. The Authority's activities are supported by a special tax levied on hotel occupancy. The Authority is governed by the Board of Commissioners, which is appointed by the City of Alexandria.

The accompanying policies conform to generally accepted accounting principles for governmental units.

#### **Financial Reporting Entity**

The Governmental Accounting Standards Board (GASB) established criteria for determining which component units should be considered part of a financial reporting entity. The basic criterion for including a potential component unit within a reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the reporting entity to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the reporting entity.
2. Organizations for which the reporting entity does not appoint a voting majority but are fiscally dependent on the reporting entity.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Greater Alexandria Economic Development Authority is a component unit of the City of Alexandria. The accompanying component unit financial statements present information only on the funds maintained by the Authority and do not present information on the City, the general government service provided by that governmental unit, or other governmental units that comprise the financial reporting entity.

#### **Basic Financial Statements**

The basic financial statements include both government-wide and fund financial statements. Both government-wide and fund financial statements categorize all of the Greater Alexandria Economic

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2017**

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Development Authority's operations as governmental activities. Governmental activities involve government services that are normally supported by taxes and intergovernmental revenues.

The government-wide and fund financial statements present the Greater Alexandria Economic Development Authority's financial position and results of operations from differing perspectives which are described as follows:

### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the Authority as a whole. The effect of any interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, contributions to specific programs, and most grants.

### **Fund Financial Statements**

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. At the present time, the Authority's only fund is the general fund, which is the primary operating fund and it is used to account for all resources.

### **Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<b><u>Financial Statement Presentation</u></b>	<b><u>Basis of Accounting</u></b>	<b><u>Measurement Focus</u></b>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is generally considered available if it is collected within 60 days of year end or may otherwise be available to finance current expenditures. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition,

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2017**

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long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure.

### **Restricted Assets**

Any amounts reported as restricted assets, represent resources that must be expended in a specific manner. Restrictions of this nature can be imposed by tax propositions and various contractual obligations including grant agreements and bond covenants. Whenever restricted assets can be used to satisfy an obligation, the restricted assets are typically consumed before utilizing any unrestricted resources.

### **Use of Estimates**

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

### **Budget Practices**

The Board of Commissioners adopts annual budgets in the manner prescribed by State Law. These budgets present revenue and expenditures on a basis which is consistent with generally accepted accounting principles.

### **Capital Assets**

Capital assets include facility improvements and equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

All capital assets are reported at historical cost less accumulated depreciation. Depreciation is computed using the straight-line method and estimated useful lives that are based on the expected durability of the particular asset. Useful lives are 5 and 7 years.

### **Cash**

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

### **Deferred Revenues**

Amounts received from grants and other sources that do not currently meet criteria for recognition as revenue are reported as deferred revenues. These amounts remain in deferred revenues until revenue recognition criteria are met or the funds are returned to the source.

### **Accrued Leave**

Fulltime employees earn vacation at rates that vary depending on length of service. A maximum of 80 hours of accrued leave are allowed to accumulate. As of December 31, 2017 no significant

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2017**

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Accrued Leave liability existed and no significant remaining vacation time was accrued by employees at December 31, 2017.

### **Internal Balances**

Internal balances arise from transactions between funds. When resources are provided without expectation of repayment, the transaction is reported as a transfer. Transfers are treated as a source of income by the recipient and as an expense or expenditure by the provider. If repayment is eventually expected to occur, inter fund receivables and payables are recorded. Internal balances are eliminated in preparing government-wide financial statements.

### **Fund Balance Classifications**

Commitment or assignment of fund balances requires approval of a majority of the Greater Alexandria Economic Development Authority's Governing Board based on a vote conducted in an open meeting. When expenditures comply with the necessary provisions restricted, committed or assigned amounts are generally consumed rather than utilizing unassigned funds.

### **NOTE 2 - CASH AND CASH EQUIVALENTS**

Deposits in financial institutions totaled \$839,387 (collected bank balance). These deposits are secured from risk by \$250,000 in Federal Deposit Insurance per bank and pledged securities with a market value of \$1,124,216. The pledged securities are held by a custodial bank in the name of the pledging institutions (fiscal agent). However, State Law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten (10) days of being notified that the fiscal agent has failed to pay deposited funds upon demand. The Greater Alexandria Economic Development Authority limits credit risk by requiring pledged securities in the manner described above.

### **NOTE 3 - RECEIVABLES**

Receivables consist of \$104,838 of Hotel Occupancy Taxes collected by the Rapides Parish Tax Collector on behalf of the authority.

### **NOTE 4 - CAPITAL ASSETS**

A summary of the Greater Alexandria Economic Development Authority's capital assets is provided as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Land	\$ 655,008	\$ ----	\$ ----	\$ 655,008
Leasehold Improvements	27,850	----	----	27,850
Equipment	17,537	----	----	17,537
Less Accumulated Depreciation	(43,508)	(752)	----	(44,260)

# **Greater Alexandria Economic Development Authority**

## **Notes To Financial Statements**

**December 31, 2017**

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Total Net of Depreciation	<u>\$ 656,887</u>	<u>\$ (752)</u>	<u>\$ ----</u>	<u>\$ 656,135</u>
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### **NOTE 5 – PAYABLES**

Accounts payable at year end are summarized as follows:

Accounts Payable to Vendors	<u>\$ 10,340</u>
Total Payables	<u>\$ 10,340</u>

Grants payable at year end are summarized as follows:

Grants Payable to Grantees	<u>\$ 16,506</u>
Total Payables	<u>\$ 16,506</u>

### **NOTE 6 – LEASES**

The Authority has acquired certain facilities necessary for operations by executing an operating lease. The lease was renewed in October 2015 for the three-year period beginning January 1, 2016 and ending December 31, 2018; a rental payment of \$2,100 is due on a monthly basis. Accordingly, the obligation for future minimum rental payments is \$25,200.

### **NOTE 7 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

### **NOTE 8 – RETIREMENT PLAN**

The Authority offers a defined contribution retirement plan to its employees. Under the terms of the plan, employees are allowed to contribute a portion of their compensation to the plan and the Authority provides certain matching contributions. For the year ended December 31, 2017, the Authority expended \$13,150 in connection with providing deferred compensation benefits. This amount consists of \$7,100 paid in December for 2017 and \$6,050 for 2016 benefits.

### **NOTE 9 – LONG-TERM LIABILITIES:**

As of December 31, 2017 GAEDA had no outstanding debt attributable to GAEDA's activities.

### **NOTE 10 – COMMITMENTS:**

In January 2017 GAEDA entered into a Cooperative Endeavor Agreement with GRC to provide a total of \$600,000 of support over a three-year period. This is to be paid in 35 monthly payments of \$16,670 and a final payment of \$ 16,550. As of December 31, 2017 the remaining balance on this agreement is \$399,960.

**Greater Alexandria Economic Development Authority**

***Statement of Revenue, Expenditures and Changes in***

***Fund Balance - General Fund Budget and Actual***

***For the Year Ended December 31, 2017***

	Budget Amounts Original	Budget Amounts Amended	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues:</u></b>				
Occupancy Taxes	\$ 765,000	\$ 854,000	\$ 860,934	\$ 6,934
Investment Income	5,200	2,800	5,260	2,460
Other Income	-	1,365	19,917	18,552
<b>Total revenues</b>	<b>770,200</b>	<b>858,165</b>	<b>886,111</b>	<b>27,946</b>
<b><u>Expenditures:</u></b>				
Economic Development				
Payroll	170,600	170,600	170,669	(69)
Employee Benefits and Payroll Taxes	46,800	50,800	60,410	(9,610)
Advertising and Marketing	10,000	3,000	2,538	462
Economic Development Projects	448,000	430,000	422,022	7,978
Professional Fees-GRC	200,000	200,000	217,040	(17,040)
Travel, Training & Conferences	5,000	5,500	5,420	80
Insurance	4,700	4,760	3,784	976
Legal and Professional	77,800	86,580	80,090	6,490
Materials and Supplies	16,500	11,500	13,135	(1,635)
Rent and Lease Expense	25,200	25,200	25,200	-
Utilities and Telephone	6,800	20,000	19,979	21
Capital Outlay	3,000	-	-	-
Other Expenses	8,750	4,575	4,798	(223)
<b>Total expenditures</b>	<b>1,023,150</b>	<b>1,012,515</b>	<b>1,025,085</b>	<b>(12,570)</b>
<b>Net Change in Fund Balance</b>	<b>(252,950)</b>	<b>(154,350)</b>	<b>(138,974)</b>	<b>15,376</b>
<b>Fund Balance - Beginning of Year</b>	<b>1,043,333</b>	<b>1,043,333</b>	<b>1,043,333</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 790,383</b>	<b>\$ 888,983</b>	<b>\$ 904,359</b>	<b>\$ 15,376</b>

**Greater Alexandria Economic Development Authority**

***Schedule of Compensation, Benefits and Other Payments to  
Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2017***

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	<u>Clifford Moller</u>
<b><u>Purpose</u></b>	
Salary	\$124,673
Benefits - Insurance	11,987
Benefits - Retirement Contributions	5,500
Benefits- H S A Contributions	4,500
Dues	1,643
Conference & Travel	
Plane and Auto Travel	2,442
Registration & Meeting Fees	1,400
Hotel	1,080
Meals	152
Other	150
Total Conference & Travel Related	<u>5,225</u>
Total Compensations, Benefits and Other Payments to Agency Head or Chief Executive Officer	<u><u>\$153,527</u></u>

**Louisiana Law requires reporting compensation, benefits and reimbursements provided for the Agency Head or Chief Executive Officer. Clifford Moller is the Executive Director of the Greater Alexandria Economic Development Authority.**

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

RLR CPA, LLC  
1922 GUS KAPLAN DRIVE  
ALEXANDRIA, LA 71301  
318.955.1968  
318.473.2637

June 8, 2018

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 Commissioners  
Greater Alexandria Economic Development Authority

I 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 governmental activities, each major fund, and the aggregate remaining fund information of the Greater Alexandria Economic Development Authority, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise Greater Alexandria Economic Development Authority's basic financial statements, and have issued my report thereon dated June 8, 2018.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

My 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. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Greater Alexandria Economic Development Authority's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

RLR CPA, LLC

RLR CPA, LLC  
Alexandria, LA  
June 8, 2018

**Greater Alexandria Economic Development Authority**

**Schedule Of Findings And Questioned Cost  
For The Year Ended December 31, 2017**

---

**PART I - SUMMARY OF AUDITOR'S RESULTS:**

- The Independent Auditor's Report on the basic financial statements of the Greater Alexandria Economic Development Authority as of December 31, 2017 and for the year then ended expressed an unqualified opinion.
- The results of the audit did not disclose any audit findings which are considered to be significant control deficiencies or material weaknesses.
- The results of the audit disclosed no instances of noncompliance required to be reported in the Schedule of Findings and Questioned Cost.

**PART II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH  
ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY  
ACCEPTED GOVERNMENTAL AUDITING STANDARDS:**

- There were no findings of this nature.

**PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS  
WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB  
CIRCULAR A-133:**

- N/A

**Greater Alexandria Economic Development Authority**

**Management's Corrective Action Plan  
For The Year Ended December 31, 2017**

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<b>SECTION I</b> <b>Internal Control And Compliance Material To The Financial Statements.</b>	
No findings were reported in the schedule of findings and questioned costs	Response: N/A
<b>SECTION II</b> <b>Internal Control And Compliance Material To Federal Awards</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION III</b> <b>Management Letter</b>	
No management letter was issued with this report.	Response- N/A

**Greater Alexandria Economic Development Authority**

**Schedule Of Prior Year Findings And Questioned Cost  
For The Year Ended December 31, 2017**

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<b>SECTION I</b> <b>Internal Control And Compliance Material To The Financial Statements.</b>	
No findings were reported in the schedule of findings and questioned costs.	Response – N/A
<b>SECTION II</b> <b>Internal Control And Compliance Material To Federal Awards</b>	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
<b>SECTION III</b> <b>Management Letter</b>	
No management letter was issued in the previous audit.	Response – N/A

## APPENDIX A

### Statewide Agreed-Upon Procedures

RLR CPA, LLC  
1922 GUS KAPLAN DRIVE  
ALEXANDRIA, LA 71301  
318.955.1968  
318.473.2637

Independent Accountant's Report  
On Applying Agreed-Upon Procedures

The Executive Director and  
The Board and The Louisiana  
Legislative Auditor:

I have performed the procedures enumerated below, which were agreed upon by the Greater Alexandria Economic Development Authority (GAEDA) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the year ended December 31, 2017. GAEDA's management is responsible for those control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Accounting Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, I 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 results are presented in the accompanying Schedule of Procedures, Results, and Managements' Response.

I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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 Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the result of testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under the Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

RLR CPA, LLC  
RLR CPA, LLC

Alexandria, LA

May 30, 2018

***Written Policies and Procedures***

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

***Results:***

- ***The policies did not address amending the budget but did address preparing, adopting, and monitoring.***

- 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.

***Results:***

- ***(1) - The policies and procedures address purchases over \$10,000 with specific instructions and state that general purchases "should be made in a manner that provides the highest quality of material or services at the best possible price". The policy also states "the use of purchase orders is not required at this time".***
- ***(2) The policies and procedures do not address the addition of vendors to the vendor list.***
- ***(3) Specific policies and procedures are listed for purchases exceeding \$10,000 but for amounts under \$10,000 its states they should "be purchased in accordance with existing purchasing policies and procedures". The policy also states that Purchase orders will not be required "at this time".***
- ***(4) The policies state "See Public Bid Law" in the purchasing section.***
- ***(5) Policies specifically address maintaining support in the file for the procedures followed for purchases between \$10,000 and \$20,000.***

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

***Results:***

- ***No specifics addressed regarding processing, reviewing and approving disbursements.***

- d) ***Receipts***, including receiving, recording, and preparing deposits

***Results:***

- ***Policies do not address receiving of deposits. The policies address timely depositing of funds but do not address preparing the actual deposit and the procedure for recording the deposit.***

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Results:**

- *(1) The policies address the Pay period frequency, timing and that it will be processed electronically.*
- *(2) The policies state the work hours of the employees and that any variation from the designated hours including overtime must be at the written authorization of the Executive Director. The policies address employee leave and the requirement for written approval.*

- 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

**Results:**

- *No specific policies related to contracting*

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

**Results:**

- *No specific policies related to credit cards. No debit cards, fuel cards or P-cards applicable.*

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

**Results:**

- *The policies address (1) allowable expenses, (3) the documentation requirements and the (4) signed approvers. (2) The policy does address mileage as the standard IRS rate, provides the rate of reimbursement for meals & incidentals per day while traveling and that Commercial air travel will be reimbursed only at coach/economy class rates unless this rate of seat is not available, and provides that receipts are required for incidental reimbursements over \$3.00 and only for communication expense relative to GAEDA business. Dollar thresholds are not specifically listed by category of expense other than these.*

- 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, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

**Results:**

- *The Louisiana Code of Government Ethics is included as Appendix B to the policies and procedures. No other Ethics policies or procedures included.*

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

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

**Results:**

- **Debt Service is not addressed in the policies and procedures provided.**

**Managements' Response to Written Policies and Procedures a-j**

We will review the policies and procedures addressed in a-j above to determine if any changes or additions need to be made.

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

---

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

**Results:**

- The Board met monthly with a quorum.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

**Results:**

- The Board financials presented and approved at the meetings provided budget to actual comparisons.
- There was no deficit spending reported in the budget to actual comparisons during the audit period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

**Results:**

- The minutes did reference and include non-budgetary financial information for at least one meeting during the audit period.

**Managements' Response to Board procedures a-c above:**

**No Response Necessary; no exceptions noted.**

### ***Bank Reconciliations***

---

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

**Results:**

- Listing and Management Representation Letter obtained.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

**Results:** Reconciliations were prepared.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and

**Results:** No evidence on the bank reconciliations that they were reviewed by a member of management or a Board Member.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Results:** There was an outstanding item that was written off, but no research support was provided for this item.

### **Managements' Response to Bank Reconciliation procedures a-c above:**

The Executive Director reviews the bank reconciliation provided monthly with the financial statement packet provided by the external CPA. We will review our procedures do determine if any changes need to be made. As for the research of reconciling items outstanding for more than 6 months; we will review our procedures both internally and with our external CPA to determine if any changes need to made to our existing practices to ensure outstanding items are properly researched and that the research is kept in the accounting records for subsequent review.

### ***Collections***

---

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

**Results:** Done listing obtained. The only collection location is GAEDA'S only office - 201 Johnston Street, Suite 601 Alexandria, LA.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three-year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:*

a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

**Results:**

(1) GAEDA has a policy which covers employee theft, depositors' forgery or alteration, and theft, disappearance and destruction in the amount of \$50,000 with a \$500 deductible. Both individuals in the office Clifford Moller and Angela Varnado are W-2 Employees.

(2) GAEDA's written policies do not address who is responsible for collecting cash and depositing it or recording the transaction. Cash receipts and deposits are only addressed in the policies as follows- "All cash receipts shall be deposited into the designated bank account as soon as practical. Once-on hand receipts reach \$1,000 a deposit of all on hand funds will be made by the ending of the banking day. No receipts shall remain on hand for more than three (3) days.

Although not in GAEDA'S written policies and procedures; GAEDA does have an outside accounting firm engaged to prepare monthly bank reconciliations and financial statements. GAEDA's primary source of revenue is directly deposited into the bank account.

(3) Both employees have access to where the deposits are kept; no cash register.

b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

**Results:**

Written documentation does not address specifics as it pertains to numbered receipts, system reports etc. The policy states bank reconciliations are to be performed monthly. GAEDA has contracted the public accounting firm of Knight Masden to perform monthly bank reconciliations. Knight Masden is not responsible for any cash collections.

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Results:** Deposit slip and related support was used. No sequentially numbered receipts or system support used. No way to determine # of days from receipt to deposit date based on information available.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

**Results:** GAEDA does not have written policies or procedures regarding a process specifically designed to determine completeness of all collections.

**Managements' Response to Collections procedures 5 – 7 above:**

We will review our written policies to determine if changes and/or additions are necessary for Collection procedures and support maintained.

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

---

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

**Results:** General Ledger provided my management. RLR, CPA LLC sorted by disbursements made.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

(e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

**Results:** Out of the 25 items sampled it was determined that no such system is being used.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

**Results:** Approval initials were on the supporting documentation/invoices and contracts for the disbursements selected; but not on purchase orders or electronic equivalents because no purchase orders or electronic equivalent are being used.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

**Results:** The disbursements selected were processed with an approved invoice or contract but not with a purchase order or electronic equivalent or a receiving report.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

**Results:** Based on the policies and procedures provided no policies addressed whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

**Results:** The written policies and procedures do not address persons with signatory authority initiating purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

**Results:** Per management inquiry and observation; checks are kept in a locked location, but the Executive Director has a key to the location and has signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

**Results:** A signature stamp or signature machine is not used.

**Managements' Response to Disbursement procedures 8-13 above:**

We do not currently have a purchase order or electronic requisition requirement for purchases and disbursements. We will review our written policies to determine if changes and/or additions are necessary for Disbursement procedures, adding vendors to the system, initiating and record of purchases, and supporting documentation requirements and also our procedures over the security of the unused checks.

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

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

**Results:** Per management listing GAEDA only has one credit card and only one card issued to Clifford Moller, Executive Director.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

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

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**Results:** No evidence of review and approval by someone other than the authorized card holder. The Executive Director signed the statement for approval, but he is the card holder.

- b) Report whether finance charges and or late fees were assessed on the selected statements.  
**Results:** No finance charges or late fees were assessed on the selected statement.

Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

**Results:** Items tested were supported by original receipt but two of the items did not indicate the business purpose. No additional documentation required by written policies noted.

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

**Results:** Other than the 2 items that did not have a business purpose; no issues were noted with the transactions selected for testing.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** Two of the items tested did not indicate a business purpose on the receipt provided so this cannot be done for those items. No issues or exceptions identified with the remaining 23 transactions.

**Managements' Response to Credit Cards/Debit Cards/Fuel Cards/P-cards procedures 14-16 above:**

We will review our written policies to determine if changes and/or additions are necessary for Credit Card procedures. We will address the need for an additional authorization signature for the Executive Director's Credit Card statement as well as address the need to include the business purpose in addition to the individuals participating on receipts for meal charges and to include the business purpose and related support for expenditures as needed such as travel and for any other expenditures where it should be indicated.

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***Travel and Expense Reimbursement***

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Greater Alexandria Economic Development Authority  
Independent Accountant's Report on Statewide  
Agreed-Upon Procedures-Continued

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

**Results:** Listing obtained. Only one individual in the current year received travel and related expense reimbursements. This was Clifford Moller.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and report any amounts that exceed GSA rates.

**Results:** GAEDA's current policy states that mileage for travel is to be paid at standard IRS rates. Meals & Incidental for traveling on GAEDA business allowed at \$57.50 per day in state other than New Orleans. Out of State travel and New Orleans travel is to be paid at \$74.25 per day. The 2017 per diem rate for low cost localities which is Louisiana's rate is \$51 and hi cost localities is a maximum of \$74. The written policies rates of payment for per diem for meals and incidentals are not consistent with the U.S. General Services Administration rates at [gsa.gov](http://gsa.gov). GAEDA's approved rates are higher than the currently published rates by the U.S. General Services Administration for meals & incidentals.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**Results:** No exceptions. Based on expense documentation reimbursed expenses paid for the item tested were paid in accordance with written policy.

b) Report whether each expense is supported by:

➤ An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

**Results:** No Exception. Expenses were supported by an itemized receipt.

➤ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

**Results:** No Exception. Documentation is complete.

➤ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

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**Results:** No Exception. Documentation is complete.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Results:** No Exception.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Results:** No Exception. Documentation was reviewed and approved by someone other than the person receiving the reimbursement.

**Managements' Response to Travel and Expense Reimbursement procedures 17-19 above:**

We will review the reimbursement policy for meals & incidentals to determine the rate is equal to or below the rate established by the U.S. General Services Administration .

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**Contracts**

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20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

**Results:** Listing obtained, and management rep letter received.

21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

**Results:** A signed/executed contract was not provided for one of the five contract/vendors chosen in the process above.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

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- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

**Results:** The contracts are not subject to the Louisiana Public Bid Law or Procurement Code. No support provided that quotes or bids were solicited.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

**Results:** No amendments provided or noted.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

**Results:** All invoices are in compliance with the contract terms and conditions for 4 of the vendors. The invoice for the vendor that does not have a contract cannot be compared.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

**Results:** Board approval was available for 4 of the 5 contracts.

**Managements' Response to Contracts procedures 20-21 above:**

We will review our polices and procedures regarding contracts. We will keep executed contracts in a file along with a copy of the minutes where the board approved the contact. We will not make any payments until the executed contract is completed and approved by the board.

**Payroll and Personnel**

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- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

**Results:** Payrate information was not maintained in the employee personnel file of the two and only employees of GAEDA. Board Members are not paid. Payroll amounts are consistent with budgeted amounts and payments were issued in the appropriate frequency per the payroll policies.

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- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

**Results:** No changes noted during the year ended December 31, 2017.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

**Results:** GAEDA has two employees. Based on the pay period selected employees did not document their daily attendance and leave time for the pay period did not have proper support for the one employee who had leave during the pay period.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

**Results:** There was written documentation with supervisor approval for the pay period selected for the employee with leave. The total of approved leave for the pay period did not agree with the leave approved document. Based on procedures performed the CPA firm preparing the payroll and inputting the information into the payroll journal which was used for the procedures was not continually updating and monitoring the payroll journal for the activity. The leave reported on this particular payroll appears to be a cumulative catchup for amounts not recorded in the payroll journal in the proper periods.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

**Results:** Other than the Payroll Journal which was not consistently updated there was no other complete detailed record that tracked hours earned, used and balance available. Individual employee files had copies of the approved leave requests.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

**Results:** No Board Members or employees terminated during the year ending December 31, 2017 per management.

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25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.
- Results:** Payroll tax reports were submitted to the applicable agencies by the required deadlines. Based on procedures performed the Auto Allowance of the Executive Director was not properly included on the 941's filed. As a result, the applicable payroll taxes were not remitted. With this exception, all other payroll taxes and retirement contributions were paid to the appropriate agencies and by the required deadlines.

**Managements' Response to Payroll and Personnel procedures 22-25 above:**

We will review our payroll policies and procedures for any changes necessary. We will place a copy of the approved pay rate for each employee in their file along with support for any approved raises (a copy of the board meeting minutes). Our two staff members are currently salaried. We will update our payroll and personnel policy to properly reflect the procedures for salaried employees and support requirements. We will discuss the issue of the travel allowance with our staff and also our external CPA to ensure this error does not occur in the future and discuss the need to correct the existing error. We will discuss the need and implement a procedure to properly track accrued leave and sick time and to retain supporting documentation to completely support the amounts.

**Ethics (excluding nonprofits)**

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26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

**Results:** The random selection resulted in one employee and 4 board members. GAEDA had documentation for the required ethics training for the employee but there was no documentation available for the 4 selected board members.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

**Results:** Per inquiry of management there were no alleged ethics violations reported to the entity during the fiscal period.

**Managements' Response to Ethics procedures 26-27 above:**

The employees had the required ethics training for the current period but the board members did not. We are in the process of making sure that all board members and staff have the required ethics training annually.

**Debt Service (excluding nonprofits)**

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28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

**N/A- GAEDA has no debt.**

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

**N/A- GAEDA has no debt.**

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

**N/A- GAEDA has no debt.**

**Managements' Response to Debt Service procedures 28-30 above:**

**N/A- GAEDA has no debt.**

**Other**

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31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** No misappropriations of public funds or assets per management.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at [www.la.gov/hotline](http://www.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

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**Results:** GAEDA has posted on its premises and website, the notice required by R.S. 24:523.1.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

**Results:** N/A no exceptions noted regarding management's representations.

**Managements' Response to Other procedures 31-33 above:**

N/A- no exceptions noted.