
ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED FINANCIAL REPORT

DECEMBER 31, 2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ascension Economic Development Corporation
Ascension Economic Development Foundation
Sorrento, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of Ascension Economic Development Corporation and Ascension Economic Development Foundation (nonprofit organizations) which comprise the consolidated statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, and consolidated statements of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Ascension Economic Development Corporation and Ascension Economic Development Foundation as of December 31, 2019 and 2018, and the consolidated changes in its consolidated net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The Corporation and Foundation has adopted FASB ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* and FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Other Matters

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position, consolidating statement of activities and changes in net assets and schedule of compensation, benefits, and other payments to the chief executive officer on pages 16 through 18 are presented for purposes of additional analysis and are 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. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2020, on our consideration of Ascension Economic Development Corporation and Ascension Economic Development Foundation'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 Ascension Economic Development Corporation and Ascension Economic Development Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Ascension Economic Development Corporation and Ascension Economic Development Foundation's internal control over financial reporting and compliance.

Dre'z, Dupuy & Ruiz

Gonzales, Louisiana
June 30, 2020

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	<u>ASSETS</u>	
	<u>2019</u>	<u>2018</u>
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 1,018,607	\$ 855,647
Total current assets	<u>1,018,607</u>	<u>855,647</u>
<u>PROPERTY AND EQUIPMENT, net</u>	<u>8,727</u>	<u>4,214</u>
TOTAL ASSETS	<u><u>\$ 1,027,334</u></u>	<u><u>\$ 859,861</u></u>
	<u>LIABILITIES AND NET ASSETS</u>	
<u>LIABILITIES</u>		
Accrued expenses	\$ 11,397	\$ 9,355
TOTAL LIABILITIES	<u>11,397</u>	<u>9,355</u>
<u>NET ASSETS</u>		
Without donor restrictions	<u>1,015,937</u>	<u>850,506</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,027,334</u></u>	<u><u>\$ 859,861</u></u>

The accompanying notes are an integral part of these statements.

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	Without Donor Restrictions 2019	Without Donor Restrictions 2018
<u>REVENUES</u>		
Grants and contributions	\$ 523,554	\$ 527,505
Interest income	1,421	1,423
Total revenues	<u>524,975</u>	<u>528,928</u>
<u>EXPENSES</u>		
Supporting Services:		
Economic services	268,931	284,970
Management and General	90,613	82,630
Total expenses	<u>359,544</u>	<u>367,600</u>
CHANGE IN NET ASSETS	165,431	161,328
NET ASSETS AT BEGINNING OF YEAR	850,506	689,178
NET ASSETS AT END OF YEAR	<u><u>\$ 1,015,937</u></u>	<u><u>\$ 850,506</u></u>

The accompanying notes are an integral part of these statements.

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

2019

	Economic Development	Management and General	Total Expenses
Salaries	\$ 162,928	\$ 56,977	\$ 219,905
Payroll taxes and benefits	44,974	15,728	60,702
Travel and entertainment	6,937	2,426	9,363
Legal and professional fees	4,691	1,640	6,331
Office	25,066	8,766	33,832
Depreciation	1,852	647	2,499
Insurance and utilities	3,787	1,324	5,111
Marketing and research	7,303	-	7,303
Incentive study	2,515	-	2,515
Other	8,878	3,105	11,983
Totals	<u>\$ 268,931</u>	<u>\$ 90,613</u>	<u>\$ 359,544</u>

2018

	Economic Development	Management and General	Total Expenses
Salaries	\$ 154,470	\$ 52,511	\$ 206,981
Payroll taxes and benefits	44,451	15,111	59,562
Travel and entertainment	4,931	1,675	6,606
Legal and professional fees	4,067	1,383	5,450
Office	23,224	7,895	31,119
Depreciation	1,361	462	1,823
Insurance and utilities	4,399	1,495	5,894
Marketing and research	16,310	-	16,310
Incentive study	25,589	-	25,589
Other	6,168	2,098	8,266
Totals	<u>\$ 284,970</u>	<u>\$ 82,630</u>	<u>\$ 367,600</u>

The accompanying notes are an integral part of these statements.

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 165,431	\$ 161,328
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	2,499	1,823
Loss on disposal	157	-
Increase in accrued expenses	2,042	311
Net cash provided by operating activities	<u>170,129</u>	<u>163,462</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(7,169)</u>	<u>-</u>
Net cash used in investing activities	<u>(7,169)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	162,960	163,462
CASH AND CASH EQUIVALENTS		
Beginning of Year	855,647	692,185
End of Year	<u>\$ 1,018,607</u>	<u>\$ 855,647</u>

The accompanying notes are an integral part of these statements.

**ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations

Organization and Purpose

The Ascension Economic Development Corporation (the Corporation) is a non-profit corporation which was organized to promote economic development for the Parish of Ascension and is funded by the Parish of Ascension, the City of Gonzales, and the Industrial Development Board.

The Corporation's board of directors are appointed by the Parish of Ascension, the Ascension Chamber of Commerce, the City of Gonzales, and the President of the Parish of Ascension.

The Ascension Economic Development Foundation (the Foundation) is a non-profit corporation which was organized to support the Corporation through charitable donations.

Basis of presentation –The financial statements of The Corporation and Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require The Corporation and Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of The Corporation and Foundation's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of The Corporation and Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Revenue Recognition – The Corporation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. There were not any conditional promises to give as of December 31, 2019 and 2018.

The Corporation and Foundation has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Corporation and Foundation's financial reporting.

**ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations (continued)

Revenue Recognition (continued)

The Corporation and Foundation has adopted Accounting Standards Update (ASU) No. 2014-09-*Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Corporation and Foundation's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Corporation and Foundation recognizes revenue, and therefore no changes to the previously issues audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have enhanced in accordance with the standard.

Measure of operations – The statements of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to The Corporation and Foundation's ongoing economic development and interest earned on cash. Nonoperating activities are limited to resources from activities considered to be of a more unusual or nonrecurring nature.

Cash and cash equivalents – The Corporation and Foundation's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

Concentrations of credit risk – Financial instruments that potentially subject The Corporation and Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Corporation and Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The Corporation and Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Corporation and Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Contributions receivable – Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Discount amortization is included in contribution revenue. Conditional promises to give are not included as support until the conditions are met.

Property and equipment, net – Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is calculated using the straight-line method over the lesser of the estimated useful

**ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations (continued)

Property and equipment, net (continued)

lives of the assets or the lease term. The useful lives range from three to seven years. The Corporation and Foundation's policy is to capitalize renewals and betterments acquired for greater than \$500 and expense normal repairs and maintenance as incurred. The Corporation and Foundation's management periodically evaluates whether events or circumstances have occurred indicating that the carrying amount of long-lived assets may not be recovered.

Contributions – Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Functional expenses – The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among economic development and supporting services benefited. Such allocations are determined by management on an equitable basis.

All expenses were allocated based on time and effort.

Use of estimates – The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

The Corporation is exempt from income tax under Section 501(c) (6). The Foundation is exempt from income taxes under Code Section 501(c) (3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Corporation and Foundation have processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax

**ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies and Presentations (continued)

Income Taxes (continued)

positions. The Corporation and Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

2. Availability and Liquidity

The following represents the Corporation and Foundation's financial assets at December 31, 2019 and 2018:

Financial assets at year-end:	2019	2018
Cash	\$ 1,018,607	\$ 855,647
Less amounts not available to be used within one year:		
Board Designations:		
Strategic Initiatives	340,284	340,284
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 678,323</u>	<u>\$ 515,363</u>

3. Property and Equipment

Major classifications of property and equipment as of December 31, 2019 and 2018 are summarized as follows:

	2019	2018
Furniture and equipment	\$ 14,513	\$ 14,594
Building and improvements	6,764	6,764
	21,277	21,358
Less: accumulated depreciation	(12,550)	(17,144)
Property and equipment, net	<u>\$ 8,727</u>	<u>\$ 4,214</u>

Depreciation expense related to the property and equipment in service was \$2,499 and \$1,823 for the years ended December 31, 2019 and 2018, respectively.

4. Compensated Absences

As of December 31, 2019 and 2018, accumulated vacation and personal/sick leave accrual was \$12,224 and \$8,267 respectively, which is classified as accrued expenses.

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Retirement Plan

The Corporation has a 401(k)-profit sharing plan for all full-time employees. Participants may make voluntary contributions to the plan up to a maximum of \$18,500 and are 100% vested in their contributions. The Corporation provides a 5% match of an electing participant's deferral and may make discretionary profit-sharing contributions. Participants vest in the Organization's contributions at the rate of 20% per year of service beginning with the participant's first full year of service. The Corporation's contributions to the plan were \$10,454 and \$9,887 for the years ended December 31, 2019 and 2018, respectively.

6. Related Party Transactions

During the year ended December 31, 2019 and 2018, the Corporation paid legal fees to a board member \$96 and \$0, respectively.

7. Concentrations

The Corporation received approximately 100% of its revenue from governmental sources during the years ended December 31, 2019 and 2018. Furthermore, the Parish of Ascension provided \$417,800 and \$416,949 during the years ended December 31, 2019 and 2018, respectively, as such, the Corporation is economically dependent on the Parish of Ascension.

8. Net Assets

Net assets without donor restrictions were as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Undesignated	\$ 675,653	\$ 510,222
Strategic Initiatives	<u>340,284</u>	<u>340,284</u>
	<u>\$ 1,015,937</u>	<u>\$ 850,506</u>

**ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued, June 30, 2020, noting that the COVID-19 outbreak in the United States has caused business disruption through mandatory and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact and duration cannot be reasonably estimated at this time.

Subsequent to year end, the Corporation purchased an office building in the amount of \$220,000.

No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**INDEPENDENT AUDITORS' 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**

Board of Directors
Ascension Economic Development Corporation and Ascension Economic Development Foundation
Sorrento, Louisiana

We have audited, 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, the consolidated financial statements of Ascension Economic Development Corporation and Ascension Economic Development Foundation (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2019, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 30, 2020.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Ascension Economic Development Corporation and Ascension Economic Development Foundation's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ascension Economic Development Corporation and Ascension Economic Development Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Ascension Economic Development Corporation and Ascension Economic Development Foundation'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 consolidated 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diez, Dupuy & Ruiz

Gonzales, Louisiana
June 30, 2020

ASCENSION ECONOMIC DEVELOPMENT CORPORATION AND
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

SUMMARY OF FINDINGS AND RESPONSES

YEAR ENDED DECEMBER 31, 2019

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on whether the consolidated financial statements of Ascension Economic Development Corporation and Ascension Economic Development Foundation were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the consolidated financial statements are reported on the Independent Auditors' 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*.
3. No instances of noncompliance material to the consolidated financial statements of Ascension Economic Development Corporation and Ascension Economic Development Foundation which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE NOTED

FINDINGS – COMPLIANCE

NONE NOTED

ASCENSION ECONOMIC DEVELOPMENT CORPORATION AND
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED DECEMBER 31, 2019

FINDINGS – FINANCIAL STATEMENT AUDIT

NONE NOTED

FINDINGS – COMPLIANCE

NONE NOTED

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	<u>ASSETS</u>		
	<u>Corporation</u>	<u>Foundation</u>	<u>Total</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	\$ 977,650	\$ 40,957	\$ 1,018,607
Total current assets	977,650	40,957	1,018,607
<u>PROPERTY AND EQUIPMENT, net</u>	8,727	-	8,727
TOTAL ASSETS	\$ 986,377	\$ 40,957	\$ 1,027,334
	<u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>			
Accrued expenses	\$ 11,397	\$ -	\$ 11,397
TOTAL LIABILITIES	11,397	-	11,397
<u>NET ASSETS</u>			
Without donor restrictions	974,980	40,957	1,015,937
TOTAL NET ASSETS	974,980	40,957	1,015,937
TOTAL LIABILITIES AND NET ASSETS	\$ 986,377	\$ 40,957	\$ 1,027,334

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions <u>Corporation</u>	Without Donor Restrictions <u>Foundation</u>	<u>Total</u>
<u>REVENUES</u>			
Grants and contributions	\$ 523,554	\$ -	\$ 523,554
Interest income	1,421	-	1,421
Total revenues	<u>524,975</u>	<u>-</u>	<u>524,975</u>
<u>EXPENSES</u>			
Salaries	219,905	-	219,905
Payroll taxes and benefits	60,702	-	60,702
Travel and entertainment	9,285	78	9,363
Legal and professional fees	5,671	660	6,331
Office	33,832	-	33,832
Depreciation	2,499	-	2,499
Insurance	5,111	-	5,111
Marketing and research	7,303	-	7,303
Incentive study	2,515	-	2,515
Other	11,973	10	11,983
Total expenses	<u>358,796</u>	<u>748</u>	<u>359,544</u>
CHANGE IN NET ASSETS	166,179	(748)	165,431
NET ASSETS AT BEGINNING OF YEAR	808,801	41,705	850,506
NET ASSETS AT END OF YEAR	<u>\$ 974,980</u>	<u>\$ 40,957</u>	<u>\$ 1,015,937</u>

ASCENSION ECONOMIC DEVELOPMENT CORPORATION
ASCENSION ECONOMIC DEVELOPMENT FOUNDATION

SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO CHIEF EXECUTIVE OFFICER
YEAR ENDED DECEMBER 31, 2019

CHIEF EXECUTIVE OFFICER: Kate MacArthur, President/CEO

Salary	\$ 125,228
Benefits-insurance	8,363
Benefits-retirement	5,910
Car allowance	5,400
Cell Phone allowance	900
Dues	2,464
Conferences	1,570
	<u>\$ 149,835</u>

Kate MacArthur provides oversight to the Ascension Economic Development Foundation. She does not receive any compensation, benefits, or other payments from the Foundation.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Ascension Economic Development Corporation
and the Ascension Economic Development Foundation, and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Ascension Economic Development Corporation and Ascension Economic Development Foundation, and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2019 through December 31, 2019. Management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above with the exception of how vendors are added to the vendor list.

Management's response: We do not deem maintaining a vendor list necessary since the volume of transactions is low and President/CEO approves all invoices and signs all checks for disbursements.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above except for determining the completeness of all collection.

Management's responses: We receive revenue from three sources that consists of 17 checks received for the year. Our review of the financial statements would note any errors in receipts.

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

Written policies and procedures were obtained and address the functions noted above with the exception of standard terms and legal review.

Management's response: We do not issue many contracts and our contracts vary by type. Therefore, it would be difficult to develop a list of standard terms. The Board has to approve all expenses over \$10,000.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- 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.

This section is not applicable to a non-profit organization.

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

This section is not applicable to a non-profit organization.

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

Written policies and procedures were obtained and address the functions noted above.

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

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

Obtained listing of locations that process payments and management's representation that listing is complete.

3. For each location selected under #2 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

We were unable to perform the above prescribed procedure because the entity does not have the resources available to separate duties for the initiation and approval of transactions. However, we noted that invoices and/or adequate supporting documentation was present for the each of the transactions, matched the associated payments, and checks were signed by authorized signor.

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

No exceptions noted.

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

The person responsible for processing payments is not prohibited from adding/modifying vendor files and there is no evidence that another employee is responsible for periodically reviewing changes to vendor files.

Management's response: Due to the limited amount of staff available, we are not able to segregate these functions.

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

The employee who mails the checks also processes them.

Management's response: Due to the limited amount of staff available, we are not able to segregate these functions.

- 4. For each location selected under #2 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #3, as applicable.

We were unable to perform the above prescribed procedure because the entity does not have the resources available to separate duties for the initiation and approval of transactions. However, we noted that invoices and/or adequate supporting documentation was present for the each of the transactions, matched the associated payments, and checks were signed by authorized signor.

Management's response: Due to the limited amount of administrative personnel, we are not able to properly segregate these functions of processing payment and adding vendors to the purchasing/disbursement system.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

Diez, Dupuy & Ruiz

Gonzales, Louisiana

June 30, 2020