

Greater Baton Rouge Economic Partnership, Inc.

Baton Rouge, Louisiana

Audit of Financial Statements
December 31, 2019 and 2018



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Independent Auditor's Report

To the Board of Directors
The Greater Baton Rouge Economic Partnership, Inc.
Baton Rouge, Louisiana

We have audited the accompanying financial statements of The Greater Baton Rouge Economic Partnership, Inc. which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities, changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Greater Baton Rouge Economic Partnership, Inc. as of December 31, 2019 and 2018, and changes in net assets and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020, on our consideration of The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 The Greater Baton Rouge Economic Partnership, Inc.'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 The Greater Baton Rouge Economic Partnership, Inc.'s internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
June 24, 2020

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Statements of Financial Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 1,392,349	\$ 787,150
Grants Receivable	13,150	-
Other Receivables	17,475	42,632
Due from Related Party	3,854,293	2,901,599
Prepaid Expenses	1,000	5,947
Total Current Assets	5,278,267	3,737,328
Total Assets	\$ 5,278,267	\$ 3,737,328
Liabilities		
Current Liabilities		
Funds Held in Custody	\$ 379,442	\$ 161,877
Accounts Payable	65,565	24,788
Unearned Leadership Program Revenue	47,350	41,125
Total Current Liabilities	492,357	227,790
Total Liabilities	492,357	227,790
Net Assets		
Without Donor Restrictions	4,785,910	3,509,538
Total Net Assets	4,785,910	3,509,538
Total Liabilities and Net Assets	\$ 5,278,267	\$ 3,737,328

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

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Statements of Activities
For the Years Ended December 31, 2019 and 2018

	2019	2018
Changes in Net Assets Without Donor Restrictions		
Revenues		
Contributions	\$ 377,500	\$ 487,234
In-Kind Contributions	24,208	-
Event Admissions and Sponsorships	47,026	54,935
Leadership Program	88,475	85,875
Grants		
City of Baton Rouge/Parish of East Baton Rouge	350,000	350,000
Louisiana Economic Development	256,386	160,450
Other	71,049	34,999
In-Kind Operational Contributions	1,524,327	1,406,622
Other Income	32,922	688
Total Revenues	2,771,893	2,580,803
Net Assets Released from Donor Restrictions	679,960	-
Total Revenues and Reclassifications	3,451,853	2,580,803
Expenses		
Program Services		
Business Development	1,114,719	910,303
Marketing and Events	257,855	237,845
Economic Competitiveness	232,337	231,338
Governmental Affairs	101,451	94,677
Total Program Services	1,706,362	1,474,163
General and Administrative		
Personnel	242,485	226,976
Occupancy	107,634	82,472
General Office	93,609	90,104
Professional Services	24,994	5,196
Travel and Hosting	397	18,125
Other	-	22,496
Interest Expense	-	1,740
Total General and Administrative	469,119	447,109
Total Expenses	2,175,481	1,921,272
Change in Net Assets Without Donor Restrictions	1,276,372	659,531
Changes in Net Assets With Donor Restrictions		
Revenues		
Contributions	679,960	-
Net Assets Release from Donor Restrictions	(679,960)	-
Change in Net Assets With Donor Restrictions	-	-
Change in Total Net Assets	\$ 1,276,372	\$ 659,531

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

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Statements of Changes in Net Assets
For the Years Ended December 31, 2019 and 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Net Assets, January 1, 2018	\$ 2,850,007	\$ -	\$ 2,850,007
Increase in Net Assets	659,531	-	659,531
Net Assets, December 31, 2018	3,509,538	-	3,509,538
Increase in Net Assets	1,276,372	-	1,276,372
Net Assets, December 31, 2019	<u>\$ 4,785,910</u>	<u>\$ -</u>	<u>\$ 4,785,910</u>

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

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Change in Net Assets	\$ 1,276,372	\$ 659,531
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities		
(Increase) Decrease in:		
Grants Receivable	(13,150)	-
Other Receivables	25,157	24,491
Due from Related Party	(952,694)	(649,455)
Prepaid Expenses	4,947	(4,302)
Increase (Decrease) in:		
Accounts Payable	40,777	(146,584)
Unearned Leadership Program Revenues	6,225	(11,625)
Net Cash Provided by (Used in) Operating Activities	387,634	(127,944)
Cash Flows from Financing Activities		
Amounts Received on Behalf of Others - Funds Held in Custody	318,348	186,513
Amounts Paid Out on Behalf of Others - Funds Held in Custody	(100,783)	(24,636)
Net Cash Provided by Financing Activities	217,565	161,877
Net Increase in Cash and Cash Equivalents	605,199	33,933
Cash and Cash Equivalents, Beginning of Year	787,150	753,217
Cash and Cash Equivalents, End of Year	\$ 1,392,349	\$ 787,150

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

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

Nature of Activities

The Greater Baton Rouge Economic Partnership, Inc. (GBREP) was incorporated on April 19, 1994 as a public non-profit organization under Internal Revenue Code Section 501(c)(3). According to its by-laws, GBREP's mission is to benefit and increase the quality of life of the general public in and around the Baton Rouge area by promoting and supporting activities and functions that attract business, educate the public, and create jobs that increase economic growth and development in the region.

The major sources of funding are from contributions and grants from the State of Louisiana and the City of Baton Rouge/Parish of East Baton Rouge.

Basis of Accounting

GBREP prepares its financial statements in accordance with accounting principles generally accepted in the United States of America, which involves the application of accrual accounting. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Use of Estimates

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

Cash and Cash Equivalents

For purposes of the statements of cash flows, GBREP considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Contributed Support

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, GBREP reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets without donor restrictions include those net assets available for use in general operations and not subject to donor restrictions. Net assets with donor restrictions are those net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. There were no net assets with donor restrictions at December 31, 2019 and 2018.

Note 1. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

GBREP recognizes contributions when cash, securities or other assets; and unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a 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 no conditional promises to give at December 31, 2019 and 2018.

Donated services and materials, if significant in amount, are recorded as in-kind services, at the time the service is performed, provided the donor has a clearly measurable and objective basis for determining their value. No value is assigned to other donated items if there is no ascertainable basis for assigning value.

A portion of GBREP's revenue is derived from cost-reimbursable city and state grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when GBREP has incurred expenditures in compliance with specific grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. There were no refundable advances at December 31, 2019 and 2018.

Income Taxes

GBREP is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Advertising

GBREP expenses advertising costs as they are incurred. Advertising costs of \$-0- were incurred during the years ended December 31, 2019 and 2018.

Functional Allocation of Expenses

The costs of providing various program and supporting activities have been summarized on a functional basis in the financial statements. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. These expenses are allocated on the basis of estimates of time and effort.

Recent Accounting Pronouncements Adopted

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount to which an entity expects to be entitled when products are transferred to customers. ASU 2014-09 was adopted January 1, 2019. GBREP completed its overall assessment of revenue streams and, based on this assessment, GBREP concluded that ASU 2014-09 resulted in no significant changes in the way GBREP recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Recent Accounting Pronouncements Adopted (Continued)

In June 2018, the FASB issued ASU 2018-08., *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether a contribution is conditional. During the year ended December 31, 2019, GBREP adopted ASU 2018-08. This ASU has been applied retrospectively to all periods presented which did not have a material effect on the financial statement balances for the years ended December 31, 2019 and 2018.

Recent Accounting Pronouncements Not Yet Adopted

In January 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. ASU 2016-02 requires that a lessee recognize the assets and liabilities that arise from leases classified as finance or operating. A lessee should recognize in the balance sheet a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election by class of underlying asset not to recognize lease assets and lease liabilities. In transition, lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. The ASU 2016-02 will be effective for GBREP in the year ending December 31, 2022. Management is currently evaluating the impact ASU 2016-02 will have on the financial statements.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2019	2018
Cash and Cash Equivalents	\$ 1,392,349	\$ 787,150
Grants Receivable	13,150	-
Other Receivable	17,475	42,632
Due from Related Party	1,028,413	1,140,706
Total	\$ 2,451,387	\$ 1,970,488

As part of the GBREP's liquidity management plan, GBREP maintains balances in excess of daily requirements in cash and cash equivalents.

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Notes to Financial Statements

Note 3. Related Party Transactions

Baton Rouge Area Chamber (BRAC) paid for certain operating expenses on behalf of GBREP. The total amount paid on behalf of GBREP for the years ended December 31, 2019 and 2018 was \$1,524,327 and \$1,406,622, respectively, and is included on the statements of activities.

BRAC owed GBREP for contributions deposited into BRAC's account. The total amount due from BRAC as of December 31, 2019 and 2018 was \$3,854,293 and \$2,901,599, respectively, and is recorded as due from related party on the statements of financial position.

During the normal course of business, GBREP purchases the services and/or materials and supplies provided by businesses associated with certain members of GBREP's Board of Directors. During 2019 and 2018, GBREP incurred costs of approximately \$73,402 and \$69,884, respectively, relating to services received from businesses associated with certain board members.

Note 4. Funds Held in Custody

During the year ended December 31, 2018, GBREP began acting as fiscal agent for an organization that does not have its own accounting function. As of December 31, 2019 and 2018, GBREP held the \$379,422 and \$161,877, respectively, on behalf of this organization.

Note 5. Concentrations of Credit Risk

GBREP periodically maintains cash in bank accounts in excess of federally insured limits. GBREP has not experienced any losses and does not believe that significant credit risks exist as a result of this practice. At December 31, 2019 and 2018, \$1,142,349 and \$534,282, respectively, of cash and cash equivalents are uninsured.

Note 6. Income Taxes

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. GBREP believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Penalties and interest assessed by income taxing authorities, if any, would be included in general and administrative expenses.

Note 7. Subsequent Events

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern", and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the GBREP operates. While it is unknown how long these conditions will last and what the complete financial effect will be to GBREP, to date, GBREP is experiencing and is expecting a decline in revenue due to the impact on businesses in its region. While it is difficult to know to what extent the decrease in revenue will be, GBREP is continuing to monitor conditions and modify expenses to avoid any prolonged deficits.

On April 22, 2020, GBREP. received a Paycheck Protection Program loan in the amount of \$291,600. This loan is potentially forgivable if GBREP. meets certain criteria. The loan has an interest rate of 1% and is due two years from the date of origination. There is no collateral or personal guarantees associated with this loan.

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 24, 2020, and determined that no other events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information

To the Board of Directors
The Greater Baton Rouge Economic Partnership, Inc.
Baton Rouge, Louisiana

We have audited the financial statements of the The Greater Baton Rouge Economic Partnership, Inc. as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon which contains an unmodified opinion on those financial statements. See pages 1 - 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to chief executive officer, as required by Louisiana Revised Statute (R.S.) 24:513 A. (3) is presented for purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



A Professional Accounting Corporation

Baton Rouge, LA
June 24, 2020

GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.
Schedule of Compensation, Benefits, and Other Payments
to Chief Executive Officer
For the Year Ended December 31, 2019

Schedule I

Chief Executive Officer
Adam Knapp

Purpose	Amount
Salary	\$0
Benefits - Insurance	\$0
Benefits - Retirement	\$0
Benefits - Taxes	\$0
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

**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**

Independent Auditor's Report

To the Board of Directors
The Greater Baton Rouge Economic Partnership, Inc.
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of The Greater Baton Rouge Economic Partnership, Inc. (GBREP), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise GBREP's basic financial statements, and have issued our report thereon dated June 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered GBREP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GBREP's internal control. Accordingly, we do not express an opinion on the effectiveness of GBREP'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding 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 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 GBREP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
June 24, 2020

**Greater Baton Rouge Economic Partnership
Schedule of Findings and Responses
For the Year Ended December 31, 2019**

Part I - Summary of Auditor's Results

Financial Statement Section

- | | |
|---|------------|
| 1. Type of Auditor's Report Issued: | Unmodified |
| 2. Internal Control Over Financial Reporting: | |
| a. Material Weakness (es) Identified? | No |
| b. Significant Deficiency (ies) Identified? | No |
| 3. Non-compliance Material to Financial Statements Noted? | No |

Federal Awards Section - Not Applicable

Part II - Financial Statement Findings Section

None.

**Greater Baton Rouge Economic Partnership
Schedule of Prior Year Findings and Responses
For the Year Ended December 31, 2019**

2018-001 Accrued Expenses

Condition: A material weakness in internal control over financial reporting is present due to a material amount of costs incurred during the year ended December 31, 2018, but paid in 2019 that were not properly accrued at December 31, 2018.

Recommendation: We recommend that invoices received subsequent to year end be reviewed to determine if accrual is necessary based on the invoice date and/or date of service provided.

Current Status: Corrected.

2018-002 Timely Reconciliations

Condition: A significant deficiency in internal control over financial reporting is present as a majority of the reconciliations for at December 31, 2018 and for the year then ended did not occur until after audit fieldwork began. Accounts that were not reconciled prior to audit fieldwork beginning included prepaids, accounts receivable other, membership dues receivables, due to/from related party, property and equipment and related depreciation, accounts payable, accrued compensated absences, bonus payable, unearned leadership, unearned membership dues, notes payable, other income, economic campaign donations, grant revenue, net assets, and in-kind revenue and expenses.

Recommendation: We recommend a monthly checklist be put into place and followed to ensure reconciliation of the accounts listed above occur on a monthly basis.

Current Status: Corrected.

AGREED-UPON PROCEDURES REPORT

The Greater Baton Rouge Economic Partnership

Independent Accountant's Report
on Applying Agreed-Upon Procedures

For the Period of January 1, 2019 - December 31, 2019

To The Greater Baton Rouge Economic Partnership, Inc. and
the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by The Greater Baton Rouge Economic Partnership (the Partnership) 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 year January 1, 2019 through December 31, 2019. The Partnership's management is responsible for those C/C areas identified in the SAUPs. 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.

Our procedures and results are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.

Results: We reviewed the Partnership's policies and procedures that addresses all applicable financial/business functions. LaPorte noted that the Partnership does not have a Disaster Recover/Business Continuity Policy in place as of testing date. Exception noted.

Collections

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

Results: Obtained the list of deposit sites for the fiscal period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Selected both sites for testing.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results: Obtained a listing of collection locations and management's representations that the listing is complete. For the three locations selected, observed that each of the elements listed in a) through d) were satisfied without exceptions.

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

Results: Based on inquiry, all employees who have access to cash are covered by insurance policy for theft.

5. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the ten deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100).

e) Trace the actual deposit per the bank statement to the general ledger.

Results: Since procedure #3 "Bank Reconciliations" were not required, for each of the Partnership's three bank accounts, we randomly selected two deposit dates and obtained supporting documentation for each of the six deposits. For each of the randomly selected items, the elements in a) through c), as well as e), were satisfied without exception. For three of the six selected items, LaPorte was unable to test whether checks were deposited within one day of receipt as documentation was not kept that indicated when checks were received.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform 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 results 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.



A Professional Accounting Corporation

Baton Rouge, LA
June 24, 2020

THE *Partnership*

June 24, 2020

LaPorte, A Professional Accounting Corporation
10000 Perkins Rowe, Suite 200
Baton Rouge, LA 70810

Ref: Management's Response to Statewide Agreed Upon Procedures (SAUPs)

Please find below the Greater Baton Rouge Economic Partnership, Inc's (the Partnership) responses to the SAUPs performed by LaPorte, APAC for the period January 1, 2019 to December 31, 2019.

Written Policies and Procedures

1. We reviewed the Partnership's policies and procedures that addresses all applicable financial/business functions. LaPorte noted that the Partnership does not have a Disaster Recover/Business Continuity Policy in place as of testing date.

Collections

1. For 3 of the 6 selected items, LaPorte was unable to test whether checks were deposited within one day of receipt as documentation was not kept that indicated when checks were received.

Management's Response:

Management agrees with the findings. We will update our Internal Controls to include a disaster recovery policy and to ensure the date received is tracked on collections. The internal control policy has been corrected on the check deposits. The Sr. Accountant will document a date received on the face of all checks received. The disaster recovery/business continuity plan is now documented and is a part of business operations.

THE GREATER BATON ROUGE ECONOMIC PARTNERSHIP, INC.

Achilles Williams

Achilles Williams, Chief Financial Officer



GREATER BATON ROUGE ECONOMIC PARTNERSHIP INC
AN INITIATIVE OF THE BATON ROUGE AREA CHAMBER