

**Greater Alexandria Economic  
Development Authority**

**Annual Financial Report**

**For the Year Ended  
December 31, 2018**

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# OESTRIECHER & COMPANY

(A PROFESSIONAL ACCOUNTING CORPORATION)

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### Independent Auditor's Report

To the Board of Commissioners  
Greater Alexandria Economic Development Authority

#### Report on the Financial Statements

We 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, 2018, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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.



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

### **Opinions**

In our 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, 2018, 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.

### **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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Supplemental Information**

Our 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 other supplemental 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 our 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*, we have also issued our report dated May 22, 2019 on our consideration of the Greater Alexandria Economic Development Authority'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 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 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.

*Oestrieche & Company, CPAs*

OESTRIECHER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

May 22, 2019

# ***GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS***

***December 31, 2018***

This section of the annual financial report presents our discussion analysis of the Greater Alexandria Economic Development Authority's financial performance during the fiscal year ended December 31, 2018.

## **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.

**GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

***December 31, 2018***

**Financial Analysis of the Authority as a Whole**

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

	<u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
<b><u>Assets:</u></b>		
Current assets	\$ 1,069,250	\$ 946,255
Other assets	1,950	-0-
Capital assets	<u>374</u>	<u>656,135</u>
Total assets	<u>1,071,574</u>	<u>1,602,390</u>
<b><u>Liabilities:</u></b>		
Current Liabilities	885	26,846
<b><u>Net Position:</u></b>		
Invested in Capital Assets, Net	374	656,135
Unrestricted	<u>1,070,315</u>	<u>919,409</u>
Total Net Position	<u>\$ 1,070,689</u>	<u>\$ 1,575,544</u>

A substantial portion of the Greater Alexandria Economic Development Authority's net position (99.97%) is unrestricted and may be used to meet the Greater Alexandria Economic Development Authority's ongoing obligations.

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

**GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2018**

	For the Year Ended <u>December 31,</u>	
	<u>2018</u>	<u>2017</u>
<b><u>Revenues:</u></b>		
Program revenue:		
Operating grants and contributions	\$ -0-	\$ -0-
General revenue:		
Hotel occupancy taxes	848,703	860,934
Investment income	1,692	5,260
Other income	<u>391</u>	<u>19,917</u>
Total revenue	850,786	886,111
<b><u>Program expenses:</u></b>		
Economic development	982,660	1,010,787
Loss on sale of property	<u>330,009</u>	<u>-0-</u>
Total expenses	<u>1,312,669</u>	<u>1,010,787</u>
Change in net position	(461,883)	(124,676)
Net position beginning (restated)	<u>1,532,572</u>	<u>1,657,248</u>
Net position ended	<u>\$ 1,070,689</u>	<u>\$ 1,532,572</u>

Net position has decreased due to a prior period adjustment to accounts receivable and a loss on the sale of land.

The Authority changed its accounting policy for accruing the occupancy tax revenue. The Authority had previously recognized revenue in the month that the hotels collected the tax from customers. The tax was not remitted to the tax collecting authority until the next month, and that is the proper month for the accrual of the tax revenue because that is when the tax was measurable and available.

The Authority purchased land in a corridor of Alexandria that had been identified as an area in need of improvement. The Authority sold the land at a loss of \$330,009, however, by demolishing the building and having the land available for repurposing, the Agency fulfilled its mission of economic development.



# ***GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS***

***December 31, 2018***

## **Financial Analysis of the Authority's Funds**

For the year ended December 31, 2018 governmental fund balances increased by \$208,929. The increase in the fund was directly attributable to the sale of land, which was recorded as a gain in the fund financial statements.

## **Budget Highlights**

For the year ended December 31, 2018, budgeted revenue exceeded actual revenues by \$6,914. Budgeted expenditures exceeded actual amounts by \$68,355. The Authority had a net positive budget variance of \$61,440 for the year.

## **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 Affect 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, 2018**

	<u><b>Governmental Activities</b></u>
<b>Assets</b>	
Cash and cash equivalents	\$ 1,069,250
Other assets	1,950
Depreciable capital assets	<u>374</u>
<b>Total Assets</b>	<u>1,071,574</u>
<b>Liabilities</b>	
Accounts payable	<u>885</u>
<b>Total Liabilities</b>	<u>885</u>
<b>Net Position</b>	
Investment in capital assets, net of related debt	374
Unrestricted	<u>1,070,315</u>
<b>Total Net Position</b>	<u><u>\$ 1,070,689</u></u>

The notes to the financial statements are an integral part of this statement.

**Greater Alexandria Economic Development Authority**  
**Statement of Activities**  
**For the Year Ended December 31, 2018**

	<u>Governmental Activities</u>
Expenses:	
Economic development	
Payroll	\$ 177,194
Employee benefits and payroll taxes	48,186
Advertising and marketing	675
Economic development projects	417,292
GRC cooperative agreement	200,040
Travel, training, and conferences	4,573
Insurance	4,318
Legal and professional	61,574
Materials and supplies	9,304
Rent and lease expense	25,200
Utilities and telephone	29,130
Depreciation	752
Other expenses	<u>4,422</u>
Total expenses	<u>982,660</u>
Program revenues:	
Charges for services	-
Operating grants and contributions	-
Capital grants and contributions	<u>-</u>
Net revenues (expenses)	<u>(982,660)</u>
General revenues (expenses):	
Hotel occupancy taxes (net of fees)	848,703
Loss on sale of land	(330,009)
Investment income	1,692
Other income	<u>391</u>
Total general revenues and expenses	<u>520,777</u>
Change in net position	(461,883)
Net position - beginning (restated)	<u>1,532,572</u>
Net position - ended	<u><u>\$ 1,070,689</u></u>

The notes to the financial statements are an integral part of this statement.

**Greater Alexandria Economic Development Authority**  
**Balance Sheet - Governmental Funds**  
**December 31, 2018**

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	General Fund
	<hr/>
<u><b>Assets</b></u>	
Cash and cash equivalents	\$ 1,069,250
Other assets	<hr/> 1,950
<b>Total Assets</b>	<hr/> <b>\$ 1,071,200</b> <hr/>
<u><b>Liabilities and Fund Balance</b></u>	
<u><b>Liabilities</b></u>	
Accounts payable	<hr/> 885
<b>Total Liabilities</b>	<hr/> <b>885</b> <hr/>
<u><b>Fund Balance</b></u>	
Unassigned	<hr/> 1,070,315
<b>Total Fund Balances</b>	<hr/> <b>1,070,315</b> <hr/>
<b>Total Liabilities and Fund Balance</b>	<hr/> <b>\$ 1,071,200</b> <hr/>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet  
of Governmental Funds  
to the Statement of Net Position  
December 31, 2018**

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Total fund balance-total governmental funds		\$ 1,070,315
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore the following amounts are not reported in the funds.		
Capital assets	45,386	
Accumulated depreciation	<u>(45,012)</u>	<u>374</u>
Net Position of Governmental Activities		<u>\$ 1,070,689</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes  
in Fund Balances-Governmental Funds  
Greater Alexandria Economic Development Authority  
For the Year Ended December 31, 2018**

	General Fund
<b><u>Revenues:</u></b>	
Hotel occupancy taxes (net)	\$ 848,703
Investment income	1,692
Sale of land	325,000
Other income	391
<b>Total revenues</b>	<u>1,175,786</u>
<b><u>Expenditures:</u></b>	
Economic development	
Payroll	177,194
Employee benefits and payroll taxes	33,136
Advertising and marketing	674
Economic development projects	417,291
Professional fees-GRC	200,040
Travel, training, and conferences	4,572
Insurance	4,318
Legal and professional	61,574
Materials and supplies	9,304
Rent and lease expense	25,200
Utilities and telephone	29,130
Other expenses	4,425
<b>Total expenditures</b>	<u>966,858</u>
 <b>Net Change in Fund Balances</b>	 208,928
<b>Fund Balance - Beginning of Year (restated)</b>	<u>861,387</u>
 <b>Fund Balance - End of Year</b>	 <u><u>\$ 1,070,315</u></u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of  
Revenues, Expenditures, and Changes in Fund Balance  
to the Statement of Activities  
For the Year Ended December 31, 2018**

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Net changes in fund balances-total governmental funds	\$ 208,928
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Assets are capitalized and depreciated in the government-wide financial statements, but expensed when purchased on the fund financial statements	
Depreciation expense	(752)
Proceeds from the sale of land are recognized as income on the fund financial statements	(325,000)
The government-wide financial statements recognize a loss on the sale of land in the amount of the difference between what was paid for the land and the proceeds	(330,009)
Certain expenses for employee benefits were reported as prepaid in the prior year for the government-wide financial statements	<u>(15,050)</u>
	<u>\$ (461,883)</u>

The notes to the financial statements are an integral part of this statement.

**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

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



**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

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.

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 30 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, long-term debts are excluded from amounts reported as liabilities.

**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

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

**Prior Period Adjustment**

The Authority changed the accounting policy for accruing revenues as of December 31, 2018. The Authority had previously accrued revenues during the month the revenues were collected by the hotels and motels within the taxing jurisdiction. However, the taxes are not remitted to the tax collection agency (Rapides Parish Sales and Use Tax Department), until the following month. The Authority has determined that the tax revenues are not measurable until they are collected by the collection agency, and therefore will only accrue tax revenues that have been collected by the Rapides Parish Sales and Use Tax Department as of the end of the reporting year.

***Government-wide***

Net position – previously reported	\$ 1,575,544
Prior period adjustment	<u>(42,972)</u>
Net position – restated	<u>\$ 1,532,572</u>

***Fund financials***

Fund balance – previously reported	\$ 904,359
Prior period adjustment	<u>(42,972)</u>
Fund balance – restated	<u>\$ 861,387</u>

**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.

**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

**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 by 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.

**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, 2018, no significant Accrued Leave Liability existed and no significant remaining vacation time was accrued by employees at December 31, 2018.

**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 receivable and payable 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.

**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

**Note 2 – Cash and Cash Equivalents**

Deposits in financial institutions totaled \$1,069,250 (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 – Capital Assets**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Land	\$ 655,008	\$ -0-	\$ (655,008)	\$ -0-
Leasehold improvements	27,850	-0-	-0-	27,850
Equipment	17,536	-0-	-0-	17,536
Less: accumulated depreciation	<u>(44,260)</u>	<u>(752)</u>	<u>-0-</u>	<u>(45,012)</u>
Total, net of net of depreciation	\$ 656,134	\$ (752)	\$ (655,008)	\$ 374

**Note 5 – Payables**

Accounts payable at year end are summarized as follows:

Accounts payable to vendors	<u>\$ 885</u>
Total payables	<u>\$ 885</u>

**Note 6 – Leases**

The Authority has acquired certain facilities necessary for operations by executing an operating lease. The lease was renewed in October 2018 for the three-year period beginning January 1, 2019 and ending December 31, 2021; a rental payment of \$2,142 is due on a monthly basis. Lease expense for the year ended December 31, 2018 was \$25,704. Future minimum lease payments are:

2019	\$25,704
2020	25,704

**Greater Alexandria Economic Development Authority**  
**Notes to Financial Statements**  
**December 31, 2018**

**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 disaster. 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 the compensation to the plan and the Authority provides certain matching contributions. For the year ended December 31, 2018, the Authority funded the retirement plan in the amount of \$7,100. The funding took place on December 19, 2017.

**Note 9 – Long-Term Liabilities**

As of December 31, 2018, 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, 2018, the remaining balance on this agreement is \$192,920.

**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, 2018**

	Budget Amounts Original	Budget Amounts Amended	Actual Amounts	Variance with Final Budget Positive Negative
<b><u>Revenues:</u></b>				
Occupancy taxes, net	\$ 769,300	\$ 852,500	\$ 848,703	\$ (3,797)
Investment income	5,200	5,200	1,692	(3,508)
Other income	-	-	391	391
<b>Total revenues</b>	<b>774,500</b>	<b>857,700</b>	<b>850,786</b>	<b>\$ (6,914)</b>
<b><u>Expenditures:</u></b>				
Economic development				
Payroll	172,500	172,500	177,194	(4,694)
Employee benefits and payroll taxes	52,600	52,600	33,136	19,464
Advertising and marketing	5,000	2,500	674	1,826
Economic development projects	434,500	448,000	417,291	30,709
Professional fees-GRC	200,000	200,000	200,040	(40)
Travel, training and conferences	5,000	2,500	4,572	(2,072)
Insurance	6,600	6,600	4,318	2,282
Legal and professional	70,800	72,300	61,574	10,726
Materials and supplies	12,960	12,960	9,304	3,656
Rent and lease expense	25,200	25,200	25,200	-
Utilities and telephone	22,000	32,000	29,130	2,870
Capital outlay	3,000	3,000	-	3,000
Loss on sale of land	-	330,010	330,009	1
Other expenses	3,750	5,050	4,425	625
<b>Total expenditures</b>	<b>1,013,910</b>	<b>1,365,220</b>	<b>1,296,867</b>	<b>68,353</b>
<b>Net Change in Fund Balance</b>	<b>(239,410)</b>	<b>(507,520)</b>	<b>(446,081)</b>	<b>61,439</b>
<b>Fund Balance - Beginning of Year</b>	<b>861,387</b>	<b>861,387</b>	<b>861,387</b>	<b>-</b>
<b>Fund Balance - End of Year</b>	<b>\$ 621,977</b>	<b>\$ 353,867</b>	<b>\$ 415,306</b>	<b>\$ 61,439</b>
<b><u>Budget to GAAP Reconciliation</u></b>				
Net change per budget		\$ (446,081)		
Loss on sale of land per budget	330,009			
Proceeds from land sale	325,000	655,009		
Net change per Fund Financial Statements		<u>\$ 208,928</u>		

Note - The budget included the loss on the sale of land per the accrual basis of accounting. The fund financial statements used the measurement focus which included only the proceeds of the sale as income.

**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, 2018**

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<u>Purpose</u>	<u>Clifford Moller</u>
Salary	\$ 124,673
Benefits - insurance	12,335
Benefits - retirement contributions	5,500
Benefits - H S A contributions	4,500
Conference & travel	
Plane and auto travel	870
Registration & meeting fees	1,739
Hotel	1,395
Meals	<u>466</u>
Total conference & travel related	4,470
Total compensation, benefits and other payments to agency head of chief executive officer	<u><u>\$ 151,478</u></u>



# OESTRICHER & COMPANY

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## 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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Greater Alexandria Economic Development Authority, as of and for the year ended December 31, 2018, and have issued our report thereon dated May 22, 2019. 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.

### Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

*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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses listed as item number 2018-001.



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### **Compliance**

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

### **GAEDA Response to Findings**

Greater Alexandria Economic Development Authority's response to the findings identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit Greater Alexandria Economic Development Authority's response and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing and 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 Legislative Auditor as a public document.

*Oestriecker & Company, CPAs*

OESTRIECKER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

May 22, 2019

**Greater Alexandria Economic Development Authority**  
**Schedule of Findings and Questioned Cost**  
**For the Year Ended December 31, 2018**

***Section I – Summary of Auditor’s Results***

We have audited the basic financial statements of the Greater Alexandria Economic Development Authority as of and for the year ended December 31, 2018, and have issued our report thereon dated May 22, 2019. We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of The United States. Our audit of the financial statements as of December 31, 2018 resulted in an unqualified opinion.

***Section II – Financial Statement Findings***

**Finding 2018-001 – Lack of control over financial closing process**

*Statement of Condition:* The Authority does not have sufficient internal controls over the closing process.

*Criteria:* An entity should have sufficient internal controls over the financial closing process so that all accounts are properly adjusted with no material misstatements.

*Effect of Condition:* Several adjustments were proposed by the auditor and accepted by management in order to have the financial statements in accordance with generally accepted accounting principles.

*Cause of condition:* The CPA firm that performs the accounting function did not have adequate oversight to ensure that all closing procedures were properly followed.

*Recommendation:* The Authority should review, with the CPA firm, all end of year accounting procedures to ensure that all necessary adjustments are made so that the financial statements prepared from the general ledger will be in accordance with generally accepted accounting principles.

*Questioned costs:* None.

***Section III – Federal Award Findings and Questioned Costs***

There were no federal awards.

**Greater Alexandria Economic Development Authority  
201 Johnston Street, Suite 601  
Alexandria, LA 71301**

**May 22, 2019**

**MANAGEMENT'S CORRECTIVE ACTION PLAN**

The Greater Alexandria Economic Development Authority respectfully submits the following corrective action plan for the year ended December 31, 2018.

Name and address of contact person: Mr. Clifford Moller, 201 Johnston Street, Suite 601, Alexandria, LA 71301.

Name and address of independent public accounting firm: Oestricher & Company, CPAs, 4641 Windermere Place, Alexandria, LA 71303

Audit period: January 1, 2018 through December 31, 2018

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

***Section I – Internal Control and Compliance Material to the Financial Statements***

**Finding 2018-001**

*Recommendation:* The Authority should review, with the CPA firm, all end of year accounting procedures to ensure that all necessary adjustments are made so that the financial statements prepared from the general ledger will be in accordance with generally accepted accounting principles.

*Action Taken:* The CPA firm will review all closing policies, and provide additional oversight to the closing process.

***Section II – Internal Control and Compliance Material to Federal Awards***

*Findings:* No findings were reported in the schedule of findings and questioned costs.

*Response:* N/A

***Section III – Management Letter***

*Findings:* 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, 2018**

***Section I – Internal Control and Compliance Material to the Financial Statements***

*Findings:* No findings were reported in the schedule of findings and questioned costs.

*Response:* N/A

***Section II – Internal Control and Compliance Material to Federal Awards***

*Findings:* No findings were reported in the schedule of findings and questioned costs.

*Response:* N/A

***Section III – Management Letter***

*Findings:* No management letter was issued with this report.

*Response:* N/A



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## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Greater Alexandria Economic Development Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Greater Alexandria Economic Development Authority (Entity) 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, 2018 through December 31, 2018. The Entity's 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*

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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  
**Finding:** The written policies related to budgeting include information on all required elements.
  - 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.



**Finding:** The written policies related to purchasing include information on all required elements except how non-grant vendors are added to the vendor list. There is a written policy related to adding new vendors for grant purposes. There is no written policy for adding non-grant related vendors to the vendor list.

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

**Finding:** The written policies related to grant disbursements include information on all required elements. The written policies related to non-grant disbursements do not include the required information.

- 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).

**Finding:** The written policies related to receipts and collections include information on all required elements.

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

**Finding:** The written policies related to payroll and personnel include information on all required elements.

- 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

**Finding:** The written policies related to contracting include information on the approval process. The written policies do not include information on the types of services requiring written contracts, standard terms and conditions, legal review or 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)

**Finding:** The written policies related to credit cards do not include the required information.

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

**Finding:** The written policies related to travel and expense reimbursement include information on all required elements.

- 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.

**Finding:** The written policies related to ethics include information on all required elements.

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

**Finding:** GAEDA does not have any debt. Written policies are not applicable.

### **Bank Reconciliations**

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

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

**Finding:** There was evidence that bank reconciliations were prepared within two months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**Finding:** There was no evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks reviewed the bank reconciliations.

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

**Finding:** There were no outstanding items for more than twelve months from the statement closing date.

### **Collections**

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- 3. 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 5 deposit sites (or all deposit sites if less than 5).

**Finding:** All revenue is deposited electronically into GAEDA's bank account directly from the Rapides Parish Sales Tax Office. These deposits are reconciled by an outside CPA firm in Alexandria, LA.

4. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

**Finding:** There are no cash collections.

- 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.

**Finding:** There are no cash collections.

- 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.

**Finding:** There are no cash collections.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Finding:** There are no cash collections.

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

**Finding:** GAEDA has an insurance policy to cover employee theft.

6. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #2 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Finding:** Sequentially pre-numbered receipts were not required since all revenue was deposited electronically by the Rapides Parish Sales Tax Office.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**Finding:** All electronic deposits were successfully traced to the related collection documentation.



- c) Trace the deposit slip total to the actual deposit per the bank statement.

**Finding:** All deposits were made electronically. Deposit slips were not used.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

**Finding:** This is not applicable. The Rapides Parish Sales Tax Office electronically transfers funds to GAEDA.

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

**Finding:** Deposits per the bank statement were successfully traced to the general ledger.

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

---

- 7. 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).

**Finding:** Payments are processed at one location. This location was selected for testing.

- 8. For each location selected under #7 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

**Finding:** The Executive Administrator initiates purchases. The Executive Director approves purchases. The Executive Administrator makes purchases after they have been approved by the Executive Director. The Board of Directors approves all grants, MOUs, and cooperative endeavors before the Executive Administrator and Executive Director issue funds.

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

**Finding:** The Executive Administrator processes payments. The Executive Director approves payments to vendors.

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

**Finding:** The Executive Administrator is responsible for processing payments and adding new vendors. The Executive Director approves all payments to vendors and periodically reviews the vendor files.

- 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.

**Finding:** The Executive Administrator processes payments and mails signed checks to vendors.

- 9. For each location selected under #7 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.

**Finding:** The disbursements tested matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #8, as applicable.

**Finding:** The disbursement documentation tested included evidence of segregation of duties tested under #8.

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

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

**Finding:** GAEDA is in possession of one credit card. This card was selected for testing.

- 11. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [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.]]

**Finding:** The monthly statement selected for testing was not reviewed and approved, in writing, by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Finding:** There were no finance charges or late fees.

12. Using the monthly statements or combined statements selected under #11 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Finding:** There was an original itemized receipt and written documentation of the public purpose for all items tested. No meal transactions were on the statement selected for testing.

#### **Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

13. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**Finding:** No meals were reimbursed using a per diem.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

**Finding:** Each meal reimbursed at actual cost had proper supporting documentation including an itemized receipt that identified precisely what was purchased.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

**Finding:** Each reimbursement was supported by documentation of the business/public purpose, the names of individuals participating and met all additional requirements of GAEDA's written policy.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Finding:** There was one reimbursement made directly to an employee in 2018. This reimbursement was to the Executive Director and was less than \$50. There was no signature of approval from anyone other than the employee receiving the reimbursement. All other travel and travel related expenses were direct payments to vendors.

## *Contracts*

---

14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

**Finding:** The contracts tested did not meet the dollar amount threshold to qualify for Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

**Finding:** GAEDA's policy did not require board approval for the contracts selected for testing.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

**Finding:** There were no amendments to the contracts tested.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Finding:** Four of the five contract payments tested agreed to the contract terms and conditions. One of the five contracts tested was overpaid. The overpaid vendor invoiced GAEDA separately for services that were included in the monthly service fee. GAEDA paid all monthly service fees as well as the additional invoice.

## *Payroll and Personnel*

---

15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Finding:** GAEDA has two employees. These employees were selected for testing.

16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #15 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that 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.)

**Finding:** Daily attendance was not documented. Leave was properly documented.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

**Finding:** The Executive Administrator took leave during the period selected for testing. The Executive Director approved the leave taken. Daily attendance was not documented.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Finding:** Leave accrued and taken during the period was reflected in GAEDA's records.

17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**Finding:** There were no termination payments issued during the fiscal period.

18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Finding:** Management represented that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

## ***Ethics***

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19. Using the 5 randomly selected employees/officials from procedure #15 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

**Finding:** Documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Finding:** There was no signature verification.

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.

*Oestricher & Company, CPAs*

OESTRICHER & COMPANY  
Certified Public Accountants  
Alexandria, Louisiana

May 22, 2019