

**Greater Alexandria Economic
Development Authority**

Audited Financial Statements

**For the Year Ended
December 31, 2020**

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**OESTRIECHER
& COMPANY, CPAs**

Beyond the Numbers

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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, 2020, 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.

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, 2020, 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 7, 2021 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

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

May 7, 2021

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2020

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, 2020.

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, 2020

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>2020</u>	<u>2019</u>
<u>Assets:</u>		
Current assets	\$ 1,233,126	\$ 1,043,136
Other assets	78,458	2,275
Prepaid expenses	1,573	1,482
Capital assets	804	945
Total assets	<u>1,313,961</u>	<u>1,047,838</u>
<u>Liabilities:</u>		
Current liabilities	8,989	14,025
<u>Net Position:</u>		
Invested in capital assets, net	804	945
Unrestricted	<u>1,304,168</u>	<u>1,032,868</u>
Total net position	<u>\$ 1,304,972</u>	<u>\$ 1,033,813</u>

A substantial portion of the Greater Alexandria Economic Development Authority's net position (99.94%) is unrestricted and may be used to meet the Greater Alexandria Economic Development Authority's ongoing obligations.

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

December 31, 2020

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

	For the Year Ended December 31,	
	<u>2020</u>	<u>2019</u>
<u>Revenues:</u>		
Program revenue:		
Operating grants and contributions	\$ -0-	\$ -0-
General revenue:		
Hotel occupancy taxes	856,958	887,500
Investment income	3,590	2,625
Other income	<u>-0-</u>	<u>1,300</u>
Total revenue	860,548	891,425
<u>Program expenses:</u>		
Economic development	<u>589,389</u>	<u>928,301</u>
Total expenses	<u>589,389</u>	<u>928,301</u>
Change in net position	271,159	(36,876)
Net position beginning	<u>1,033,813</u>	<u>1,070,689</u>
Net position ended	<u>\$ 1,304,972</u>	<u>\$ 1,033,813</u>

The core activities of the Authority were substantially the same in 2020 and 2019. However, the Authority provided less in economic development grants and expenses than revenues during 2020 due to COVID-19 restrictions placed on events held in the Central Louisiana area.

GREATER ALEXANDRIA ECONOMIC DEVELOPMENT AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2020

Financial Analysis of the Authority's Funds

For the year ended December 31, 2020 governmental fund balances increased by \$271,209. The increase in the fund was directly attributable to a reduction in the awarding of grants due to COVID-19 restrictions placed on gatherings in the Central Louisiana area.

Budget Highlights

For the year ended December 31, 2020, actual revenue exceeded budgeted revenue by \$122,961. Budgeted expenditures exceeded actual expenditures by \$56,538. The Authority had a net positive budget variance of \$179,499 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

During 2020 and 2021, The United States, including the Central Louisiana area, was impacted by the COVID-19 pandemic. The hotel industry was particularly harmed by the preventative measures put in place by governmental agencies restricting travel. The revenues from GAEDA are based on hotel taxes. Revenues earned by GAEDA decreased from 2019 to 2020. Management believes that revenues will continue to be impacted by COVID-19 and expects the revenue earned in 2021 to be comparable to the revenue earned in 2020. Additionally, grant expenditures are expected to remain low since COVID-19 restrictions have a direct impact on events held in the Central Louisiana area.

Greater Alexandria Economic Development Authority
Statement of Net Position - Government Wide
December 31, 2020

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 1,233,126
Receivable	76,508
Other assets	1,950
Prepaid expenses	1,573
Depreciable capital assets	<u>804</u>
Total Assets	<u>1,313,961</u>
Liabilities	
Accounts payable	4,415
Grants payable	3,918
Payroll liabilities	<u>656</u>
Total Liabilities	<u>8,989</u>
Net Position	
Investment in capital assets	804
Unrestricted	<u>1,304,168</u>
Total Net Position	<u><u>\$ 1,304,972</u></u>

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

Greater Alexandria Economic Development Authority
Statement of Activities - Government Wide
For the Year Ended December 31, 2020

	<u>Governmental Activities</u>
Expenses:	
Economic development	
Payroll	\$ 194,826
Employee benefits and payroll taxes	50,723
Advertising and marketing	1,231
Economic development projects	165,182
GRC cooperative agreement	50,000
Engineering and feasibility	2,200
Travel, training, and conferences	1,633
Insurance	3,248
Legal and professional	57,054
Materials and supplies	9,326
Rent and lease expense	25,727
Utilities and telephone	25,630
Depreciation	141
Other expenses	<u>2,468</u>
Total expenses	<u>589,389</u>
Program revenues:	
Charges for services	-
Operating grants and contributions	-
Capital grants and contributions	<u>-</u>
Net revenues (expenses)	<u>(589,389)</u>
General revenues (expenses):	
Hotel occupancy taxes (net of fees)	856,958
Investment income	<u>3,590</u>
Total general revenues and expenses	<u>860,548</u>
Change in net position	271,159
Net position - beginning	<u>1,033,813</u>
Net position - ended	<u><u>\$ 1,304,972</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, 2020

	<u>General Fund</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 1,233,126
Receivable	76,508
Other assets	<u>1,950</u>
Total Assets	<u>\$ 1,311,584</u>
<u>Liabilities and Fund Balance</u>	
<u>Liabilities</u>	
Accounts payable	4,415
Grants payable	3,918
Payroll liabilities	<u>656</u>
Total Liabilities	<u>8,989</u>
<u>Fund Balance</u>	
Unassigned	<u>1,302,595</u>
Total Fund Balances	<u>1,302,595</u>
Total Liabilities and Fund Balance	<u>\$ 1,311,584</u>

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

**Reconciliation of Fund Balances on the Balance Sheet for
Governmental Funds to Net Position of Governmental
Activities on the Statement of Net Position
December 31, 2020**

Total fund balance-total governmental funds		\$ 1,302,595
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	46,090	
Accumulated depreciation	<u>(45,286)</u>	<u>804</u>
Employee benefits that were reported as prepaid in government-wide financial statements		<u>1,573</u>
Net Position of Governmental Activities		<u><u>\$ 1,304,972</u></u>

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

Greater Alexandria Economic Development Authority
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Year Ended December 31, 2020

	General Fund
<u>Revenues:</u>	
Hotel occupancy taxes (net)	\$ 856,958
Investment income	3,590
Total revenues	<u>860,548</u>
<u>Expenditures:</u>	
Economic development	
Payroll	194,826
Employee benefits and payroll taxes	50,814
Advertising and marketing	1,231
Economic development projects	165,182
Professional fees-GRC	50,000
Engineering and feasibility	2,200
Travel, training, and conferences	1,633
Insurance	3,248
Legal and professional	57,054
Materials and supplies	9,326
Rent and lease expense	25,727
Utilities and telephone	25,630
Other expenses	2,468
Total expenditures	<u>589,339</u>
 Net Change in Fund Balances	 271,209
Fund Balance - Beginning of Year	<u>1,031,386</u>
 Fund Balance - End of Year	 <u><u>\$ 1,302,595</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 of
Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020**

Net changes in fund balances-total governmental funds		\$ 271,209
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	(141)	
Capital expenditures	<u>-</u>	(141)
Employee benefits that were reported as prepaid in government-wide financial statements for 2019		(1,482)
Employee benefits that were reported as prepaid in government-wide financial statements for 2020		<u>1,573</u>
Change in net position		<u><u>\$ 271,159</u></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, 2020

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.

Greater Alexandria Economic Development Authority
Notes to Financial Statements
December 31, 2020

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.

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:

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

Greater Alexandria Economic Development Authority
Notes to Financial Statements
December 31, 2020

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.

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

Restricted Assets

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

Use of Estimates

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

Budget Practices

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

Greater Alexandria Economic Development Authority
Notes to Financial Statements
December 31, 2020

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, 2020, no significant Accrued Leave Liability existed and no significant remaining vacation time was accrued by employees.

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, interfund 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, 2020

Note 2 – Cash and Cash Equivalents

Deposits in financial institutions totaled \$1,233,126 (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 \$1,107,660. 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. The Authority had no cash balances that were not adequately secured as of December 31, 2020.

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	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Leasehold improvements	27,850	-0-	-0-	27,850
Equipment	18,240	-0-	-0-	18,240
Less: accumulated depreciation	<u>(45,145)</u>	<u>(141)</u>	<u>-0-</u>	<u>(45,286)</u>
Total, net of net of depreciation	\$ 945	\$ (141)	\$ -0-	\$ 804

Note 5 – Payables

Accounts payable at year end are summarized as follows:

Accounts payable to vendors	\$ 4,415
Grants payable to recipients	3,918
Payroll liabilities	<u>656</u>
Total payables	<u>\$ 8,989</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, 2020 was \$25,727. Future minimum lease payments are:

2021	25,704
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Greater Alexandria Economic Development Authority
Notes to Financial Statements
December 31, 2020

The Authority entered into an operating lease for a copier on February 9, 2018 for 42 months. The lease period began March 1, 2018 and ends August 31, 2021; a rental payment of \$387 is due on a monthly basis. Copier lease expense for the year December 31, 2020 was and was included in materials and supplies and totaled \$4,644.

2021

3,096

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 through MetLife 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, 2020, the Authority funded the retirement plan in the amount of \$7,050. The funding took place on January 2, 2020.

Note 9 – Long-Term Liabilities

As of December 31, 2020, the Authority had no outstanding debt attributable to the Authority's activities.

Note 10 – Subsequent Events

Management has evaluated subsequent events through the date of that the financial statements were available to be issued, which was May 7, 2021. During 2020 and 2021, The United States, including the Central Louisiana area, was impacted by the COVID-19 pandemic. The hotel industry was particularly harmed by the preventative measures put in place by governmental agencies restricting travel. The revenues from the Authority are based on hotel taxes. Revenues earned by the Authority decreased from 2019 to 2020. Management believes that revenues will continue to be impacted by COVID-19 and expects the revenue earned in 2021 to be comparable to the revenue earned in 2020. Additionally, grant expenditures are expected to remain low since COVID-19 restrictions have a direct impact on events held in the Central Louisiana area.

Greater Alexandria Economic Development Authority
Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual
For the Year Ended December 31, 2020

	Budget Amounts Original	Budget Amounts Final	Actual Amounts	Variance with Final Budget Positive Negative
<u>Revenues:</u>				
Occupancy taxes, net	\$ 806,221	\$ 735,000	\$ 856,958	\$ 121,958
Investment income	2,000	2,587	3,590	1,003
Total revenues	808,221	737,587	860,548	\$ 122,961
<u>Expenditures:</u>				
Economic development				
Payroll	193,726	194,826	194,826	-
Employee benefits and payroll taxes	50,470	52,803	50,814	1,989
Advertising and marketing	3,000	3,000	1,231	1,769
Economic development projects	454,000	200,000	165,182	34,818
Professional fees-GRC	50,000	50,000	50,000	-
Engineering and feasibility	-	-	2,200	(2,200)
Travel, training and conferences	5,000	5,000	1,633	3,367
Insurance	3,688	3,688	3,248	440
Legal and professional	55,200	59,200	57,054	2,146
Materials and supplies	14,860	14,860	9,326	5,534
Rent and lease expense	26,400	26,400	25,727	673
Utilities and telephone	27,348	30,000	25,630	4,370
Capital expenditures	3,000	3,000	-	3,000
Other expenses	3,060	3,100	2,468	632
Total expenditures	889,752	645,877	589,339	56,538
Net Change in Fund Balance	(81,531)	91,710	271,209	179,499
Fund Balance - Beginning of Year	1,031,386	1,031,386	1,031,386	-
Fund Balance - End of Year	\$ 949,855	\$ 1,123,096	\$ 1,302,595	\$ 179,499

**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, 2020**

		<u>Clifford Moller</u>
<u>Purpose</u>		
Salary		\$ 132,343
Automobile allowance		4,800
Benefits - insurance		13,042
Benefits - retirement contributions		5,500
Benefits - H S A contributions		4,500
Conference & travel		
Plane and auto travel	\$ 208	
Registration & meeting fees	50	
Meals	<u>33</u>	
Total conference & travel related		<u>291</u>
Total compensation, benefits and other payments to agency head of chief executive officer		<u><u>\$ 160,476</u></u>



**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, 2020, and have issued our report thereon dated May 7, 2021. 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.

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.

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. 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

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 instances of noncompliance and are reported as findings 2020-001 in the Schedule of Findings and Questioned Costs.

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.

Oestriecher & Company, CPAs

OESTRIECHER & COMPANY
Certified Public Accountants
Alexandria, Louisiana

May 7, 2021

Greater Alexandria Economic Development Authority
Schedule of Findings and Questioned Cost
For the Year Ended December 31, 2020

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unqualified opinion on the basic financial statements of the Greater Alexandria Economic Development Authority.
2. No material weaknesses were disclosed during the audit of the basic financial statements.
3. One instance of noncompliance of the Greater Alexandria Economic Development Authority were disclosed during the audit as listed below.

Section II – Financial Statement Findings

Finding 2020-001 – Automobile Allowance

Statement of Condition: The Authority issued a W-2 which did not include the automobile allowance paid during the year through a non-accountable plan.

Criteria: The IRS requires that employers report nonaccountable plans with employee wages, salary, or other pay. Employers must report the total in box 1 of the employee’s W-2.

Effect of Condition: The W-2 issued by the Authority was not in compliance with IRS requirements.

Cause of condition: The Authority’s management and board was unaware of this requirement and relied on a CPA firm engaged for payroll services to correctly report employee earnings.

Recommendation: The Authority should ensure that non-accountable plans are correctly reported on all W-2s issued.

Questioned costs: -0-

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 7, 2021

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Greater Alexandria Economic Development Authority respectfully submits the following corrective action plan for the year ended December 31, 2020.

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: Oestrieher & Company, CPAs, 4641 Windermere Place, Alexandria, LA 71303

Audit period: January 1, 2020 through December 31, 2020

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 2020-001

Recommendation: The Authority should ensure that non-accountable plans are correctly reported on all W-2s issued.

Action Taken: Management and the board will verify that non-accountable plans are correctly reported on all W-2s in the future.

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, 2020**

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

Finding No. 2019-001: The Authority paid vendors on behalf of a grantee without proper board approval.

Corrective action taken: Condition was resolved. Management verifies that grants have been approved by the board before any funds are issued to or on behalf of grantees.

Finding No. 2019-002: The Authority paid a catering company for meals related to a Christmas Party.

Corrective action taken: Condition was resolved. The Authority no longer spends funds on social functions.

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