

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)

AUDITED FINANCIAL REPORT

December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Gretna Economic Development Assn., Ltd.
Gretna, Louisiana

Opinion

We have audited the accompanying financial statements of Gretna Economic Development Assn., Ltd. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gretna Economic Development Assn., Ltd. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Gretna Economic Development Assn., Ltd. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gretna Economic Development Assn., Ltd.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

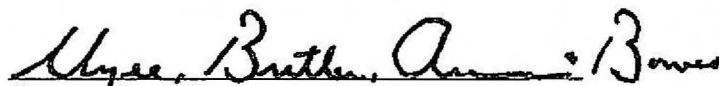
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 Gretna Economic Development Assn., Ltd.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gretna Economic Development Assn., Ltd.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2023 on our consideration of Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gretna Economic Development Assn., Ltd.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gretna Economic Development Assn., Ltd.'s internal control over financial reporting and compliance.



Harvey, Louisiana
June 27, 2023

GREटना ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Current Assets		
Cash	\$348,225	\$978,587
Accounts Receivable	9,575	4,950
Prepaid Taxes	<u>4,800</u>	<u>1,350</u>
Total Current Assets	<u>362,600</u>	<u>984,887</u>
Property and Equipment		
Furniture and Fixtures	1,101	1,101
Equipment	<u>12,696</u>	<u>12,696</u>
	13,797	13,797
Less: Accumulated Depreciation	<u>(13,797)</u>	<u>(13,797)</u>
Net Property and Equipment	<u>-0-</u>	<u>-0-</u>
TOTAL ASSETS	<u>\$362,600</u>	<u>\$984,887</u>

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

GREटना ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FINANCIAL POSITION - CONTINUED
DECEMBER 31, 2022 and 2021

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
Current Liabilities		
Accounts Payable	\$ 208,027	\$ 564
Credit Card Payable	1,595	1,066
Payroll Taxes Payable	18,433	4,507
Line of Credit	<u>298,501</u>	<u>236,873</u>
Total Current Liabilities	<u>526,556</u>	<u>243,010</u>
Net Assets		
Without Donor Restrictions	<u>(163,956)</u>	<u>741,877</u>
Total Net Assets	<u>(163,956)</u>	<u>741,877</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>362,600</u>	\$ <u>984,887</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 and 2021

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

	<u>2022</u>	<u>2021</u>
Revenue, Gains, and Other Support		
Festival	\$ 2,200,080	\$ -0-
Grant Income	1,483,407	790,841
Dues	19,775	7,675
Lundi Gras	3,042	-0-
Farmer's Market	61,288	30,773
Art Walk	3,970	12,120
Special Projects	9,883	33,394
Bingo – GBP	1,386,331	1,391,005
Interest & Dividends	1,998	2,865
Donations, etc.	4,382	40,505
Miscellaneous	2	361
PPP Loan Forgiveness	<u>-0-</u>	<u>28,400</u>
TOTAL REVENUE, GAINS, AND OTHER SUPPORT	<u>5,174,158</u>	<u>2,337,939</u>
Expenses		
Program Services	5,816,206	1,310,697
Administrative Services	<u>263,785</u>	<u>219,764</u>
TOTAL EXPENSES	<u>6,079,991</u>	<u>1,530,461</u>
INCREASE(DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(905,833)	807,478
 Net Assets Without Donor Restrictions, Beginning of Year	 <u>741,877</u>	 <u>(65,601)</u>
Net Assets Without Donor Restrictions, End of Year	\$ <u>(163,956)</u>	\$ <u>741,877</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2022 and 2021

	December 31, 2022			December 31, 2021		
	Program Services	Administrative Services	Total	Program Services	Administrative Services	Total
Festival	\$4,600,758	\$ -0-	\$4,600,758	\$ 44,602	\$ -0-	\$ 44,602
Bingo	1,157,329	-0-	1,157,329	1,122,319	-0-	1,122,319
Farmers						
Market	36,417	-0-	36,417	28,290	-0-	28,290
Art Walk	9,734	-0-	9,734	3,881	-0-	3,881
Donations	-0-	-0-	-0-	38,611	-0-	38,611
Special						
Projects	11,968	-0-	11,968	72,994	-0-	72,994
Salaries &						
Wages	-0-	133,975	133,975	-0-	128,966	128,966
Payroll Taxes	-0-	9,565	9,565	-0-	9,927	9,927
Advertising	-0-	5,717	5,717	-0-	5,419	5,419
Accounting &						
Tax Prep	-0-	15,885	15,885	-0-	11,685	11,685
Bank & Credit						
Card Fees	-0-	6,704	6,704	-0-	1,610	1,610
Insurance	-0-	64,285	64,285	-0-	11,355	11,355
Interest	-0-	11,941	11,941	-0-	15,086	15,086
Office Supplies	-0-	4,267	4,267	-0-	4,788	4,788
Donations	-0-	704	704	-0-	23,452	23,452
Telephone	-0-	2,624	2,624	-0-	2,536	2,536
Utilities	-0-	1,328	1,328	-0-	1,811	1,811
Other	-0-	2,346	2,346	-0-	1,426	1,426
Depreciation	-0-	-0-	-0-	-0-	93	93
Other Taxes	-0-	4,444	4,444	-0-	1,610	1,610
Total						
Expenses	<u>\$5,816,206</u>	<u>\$ 263,785</u>	<u>\$6,079,991</u>	<u>\$1,310,697</u>	<u>\$ 219,764</u>	<u>\$1,530,461</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022 and 2021

CASH FLOWS FROM OPERATING ACTIVITIES

	<u>2022</u>	<u>2021</u>
Increase (Decrease) in Net Assets	\$ (905,833)	\$ 807,478
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	-0-	93
(Increase) Decrease in Current Assets:		
Accounts Receivable	(4,625)	2,075
Prepaid Taxes	(3,450)	(150)
Increase (Decrease) in Current Liabilities:		
Accounts Payable	207,463	(44,184)
Credit Card Payable	529	671
Payroll Taxes Payable	<u>13,926</u>	<u>3,489</u>
Net Cash Provided (Used) by Operating Activities	<u>(691,990)</u>	<u>769,472</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Furniture & Equipment	<u>-0-</u>	<u>-0-</u>
Net Cash Provided (Used) by Investing Activities	<u>-0-</u>	<u>-0-</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Line of Credit Borrowing	61,628	-0-
PPP Loan Forgiveness	<u>-0-</u>	<u>(28,400)</u>
Net Cash Provided (Used) by Financing Activities	<u>61,628</u>	<u>(28,400)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(630,362)	741,072
Cash and Cash Equivalents, Beginning of Year	<u>978,587</u>	<u>237,515</u>
Cash and Cash Equivalents, End of Year	<u>\$ 348,225</u>	<u>\$ 978,587</u>

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

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 and 2021

1. SIGNIFICANT ACCOUNTING POLICIES

- A. The financial statements of Gretna Economic Development Assn., Ltd. have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when earned rather than when received, and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The Organization has no capital stock.
- B. Business Activity
Gretna Economic Development Assn., Ltd. was established in 1992 as a nonprofit 501(c)(3) Organization for the purpose of improving the business climate within the City of Gretna, providing a vehicle to assist in the development of new businesses, promoting and encouraging tourism, increasing the number of residents, and enhancing the knowledge of local residents and potential tourists of the City of Gretna. The Organization was also established to assist the underprivileged, to lessen the burdens of government, and to combat community deterioration.
- C. Cash and Cash Equivalents
The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.
- D. Liquidity and Availability
The Organization has \$348,225 of cash in bank available within one year of the date of the statement of financial position to meet cash needs for general expenditures. Cash in bank is not subject to donor or other contractual restrictions that make it unavailable for general expenditures within one year of the date of the statement of financial position. As the Organization has no investments, its liquidity and availability are limited to the excess of its bank balances over its obligations. Gretna Economic Development Assn., Ltd. has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Gretna Economic Development Assn., Ltd. has no financial assets with donor restrictions.
- E. Restricted Deposits
The Organization does not have any deposits that are restricted in use and that are not available for operating purposes at December 31, 2022 and 2021.
- F. Accounts Receivable
The Organization, in regards to uncollectible accounts, utilizes the direct write off method. Therefore, no allowance for doubtful accounts is utilized. Management believes this to be the most effective method for purposes of recording uncollectible accounts. There were no bad debts recorded for the year ended December 31, 2022.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2022 and 2021

G. Property and Equipment

Property and equipment are depreciated using the straight-line method over lives varying from 5 years to 10 years for equipment and 40 years for property and related improvements. Acquisitions of property and equipment in excess of \$200 and having a useful life of over one year are capitalized. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restriction regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as structured by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

H. Contributions

Donor-restricted support whose restrictions are met in the same reporting period as the support recognized is reported as net assets without donor restrictions.

I. Financial Statement Presentation

The financial statements have been prepared in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations" and Financial Accounting Standards Board Update to Topic 958 (ASU 2016-14), "Presentation of Financial Statements for Not-for-Profit Entities". Under SFAS No. 117 and Update to Topic 958 (ASU 2016-14), the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. In addition, the Organization is required to present a statement of cash flows.

J. Use of Estimates

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

2. LEASES

The Organization leases a facility for purposes of bingo sessions at a rate determined by the number of sessions. There is no formal written lease agreement.

3. CONTRIBUTED SERVICES

A number of unpaid volunteers have made contributions of their time to the Organization during the year. The value of this contributed time is not reflected in these statements since it is not material and is not susceptible to objective measurement or valuation.

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2022 and 2021

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	<u>2022</u>	<u>2021</u>
Dues	\$ 9,575	\$ -0-
Other	<u>-0-</u>	<u>4,950</u>
	<u>\$ 9,575</u>	<u>\$ 4,950</u>

5. PROPERTY AND EQUIPMENT

Property and equipment, and depreciation activity for the year ended December 31, 2022 are as follows:

	<u>Balance</u> <u>1-1-22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12-31-22</u>
Furniture & Fixtures	\$ 1,101	\$ -0-	\$ -0-	\$ 1,101
Equipment	<u>12,696</u>	<u>-0-</u>	<u>-0-</u>	<u>12,696</u>
	13,797	-0-	-0-	13,797
Less: Accumulated Depreciation	<u>(13,797)</u>	<u>-0-</u>	<u>-0-</u>	<u>(13,797)</u>
Net Property & Equipment	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

6. LINE OF CREDIT

The Organization had a line of credit that matured on of August 26, 2022 and bearing an interest rate of 6.25%. The line of credit was renewed with a maturity date of August 26, 2023 and bearing an interest rate of 10.50%. The balance on the line of credit at December 31, 2022 was \$298,501.

7. GRANT INCOME

Grant income for the year ended December 31, 2022 was comprised of the following:

City of Gretna	\$ 1,008,407
Jefferson Parish	<u>475,000</u>
	<u>\$ 1,483,407</u>

8. ON-BEHALF PAYMENTS

The City of Gretna provides the Organization with office space at no charge other than a fee of \$1 per year.

9. ECONOMIC DEPENDENCY

During the year ended December 31, 2022, the Organization depended heavily on support from the City of Gretna and Jefferson Parish.

GREटना ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
NOTES TO FINANCIAL STATEMENTS - continued
YEARS ENDED DECEMBER 31, 2022 and 2021

10. INCOME TAXES

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, an information tax return, Form 990 for tax exempt organizations, is required to be filed each year. Corporate income tax is, however, required to be paid on the Form 990T filed annually by the Organization as a result of bingo pull tab profits. The Organization does not have any uncertain tax positions. With few exceptions, the Organization is no longer subject to U. S. federal examinations by tax authorities for the years before 2019.

11. NET ASSETS WITH DONOR RESTRICTIONS

The Organization does not have any net assets with donor restrictions on the use of the assets at December 31, 2022 and 2021.

12. TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets held by the Organization as of December 31, 2022.

13. THREATENED AND PENDING LITIGATION

Greटना Economic Development Assn., Ltd. is not involved in any litigation, and is not aware of any claims outstanding of a material nature that are not recorded in the financial statements.

14. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and trade accounts receivables. The Organization maintains checking accounts at various financial institutions covered by FDIC insurance. There were no bank accounts at December 31, 2022 with balances that exceeded FDIC limitations of \$250,000.

15. COMPENSATED ABSENCES

Because the employees of Greटना Economic Development Assn., Ltd. are currently not reimbursed for unused vacation and sick leave, no provision for compensated absences has been recorded in these financial statements.

16. POST-EMPLOYMENT BENEFITS

At present, there are no former employees of Greटना Economic Development Assn., Ltd. who are receiving post-employment benefits, and any liability due to the Organization's benefit structure is considered to be immaterial.

17. FUNCTIONAL BASIS PRESENTATION

Expenditures incurred in connection with administrative services and program services have been summarized on a functional basis in the statement of functional expenses according to Financial Accounting Standards Board Update to Topic 958 (ASU 2016-14), "*Presentation of Financial Statements of Not-for-Profit Entities*".

18. SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 27, 2023 which is the date the financial statements were available to be issued.

OTHER SUPPLEMENTARY INFORMATION

GRETNА ECONOMIC DEVELOPMENT ASSN., LTD.
 (A NON-PROFIT ORGANIZATION)
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
 TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED DECEMBER 31, 2022

Agency Head Name: Teri B. Tucker

Purpose:	<u>Amount</u>
Salary	\$ -0-
Benefits – insurance	-0-
Benefits – retirement	-0-
Benefits – other	-0-
Car Allowance	-0-
Vehicle provided by Organization	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration fees	-0-
Conference travel	-0-
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	-0-
	<u>\$ -0-</u>

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
Gretna Economic Development Assn., Ltd.
Gretna, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Gretna Economic Development Assn., Ltd. (a non-profit organization), which comprise the statements of financial position as December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 27, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Gretna Economic Development Assn., Ltd.'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 Gretna Economic Development Assn., Ltd.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Gretna Economic Development Assn., Ltd.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we identified a deficiency in internal control that we consider to be a material weakness which is disclosed in the accompanying schedules of current and prior year audit findings and responses. However, additional material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gretna Economic Development Assn., Ltd.'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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Response to Findings

Gretna Economic Development Assn., Ltd.'s response to the findings identified in our audit is described in the accompanying schedules of current and prior year audit findings and responses. Gretna Economic Development Assn., Ltd.'s response was not subjected to the auditing procedures applied in the audit of the financial statements 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 of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of Management, the Board of Directors, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana revised Statute 24.513, this report is distributed by the Legislative Auditor as a public document.


Harvey, Louisiana
June 29, 2023

GREटना ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
SCHEDULES OF FINDINGS
YEARS ENDED DECEMBER 31, 2022 and 2021

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Gretna Economic Development Assn., Ltd.
2. A material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The material weakness results from a lack of adequate segregation of duties within the accounting department of Gretna Economic Development Assn., Ltd. Per Management, the cost-benefit and limited number of personnel in the accounting department do not allow for adequate segregation of duties. However, it is our recommendation that the Board of Directors should closely monitor the day-to-day activities of the Organization. The Management of Gretna Economic Development Assn., Ltd. concurs with this finding.
3. No instances of noncompliance material to the financial statements of Gretna Economic Development Assn., Ltd. are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

See next page.

GREटना ECONOMIC DEVELOPMENT ASSN., LTD.
(A NON-PROFIT ORGANIZATION)
Gretna, Louisiana

Schedules of Current and Prior Year Audit Findings
and Responses
Years Ended December 31, 2022 and 2021

	<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
	CURRENT YEAR (12/31/22)						
	<u>Internal Control:</u>						
17	22-01	Unknown	Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	Because of the cost-benefit, and limited number personnel performing the Organization's accounting functions, it is not possible to achieve adequate segregation of duties. However, it is our recommendation that the Board of Directors should closely monitor the day-to-day activities of the Organization. The Management of Gretna Economic Development Assn., Ltd. concurs with this finding.	Teri B. Tucker President	N/A
	PRIOR YEAR (12/31/21)						
	<u>Internal Control:</u>						
	21-01	Unknown	Gretna Economic Development Assn., Ltd. does not have adequate segregation of duties within the Organization's accounting functions.	N/A	Same as above.	Teri B. Tucker President	N/A

GRETNA ECONOMIC DEVELOPMENT ASSN., LTD.
(A Non-Profit Organization)
Gretna, Louisiana

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Year Ended December 31, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Board of Directors of
Gretna Economic Development Assn., Ltd.
Gretna, Louisiana

We have performed the procedures enumerated below, which were agreed to by Gretna Economic Development Assn., Ltd. and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the period January 1, 2022 through December 31, 2022. Gretna Economic Development Assn., Ltd.'s management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

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:

1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **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.
 - iii. **Disbursements**, including processing, reviewing, and approving.

- iv. *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).
- v. *Payroll/Personnel*, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. *Travel and Expense Reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. *Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. *Information Technology Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. *Prevention of Sexual Harassment*, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings: We obtained Gretna Economic Development Assn., Ltd.'s written policies and procedures manual. The policies and procedures manual addresses each of the following categories and subcategories as listed above, except budgeting, ethics, and debt service which are not applicable to Gretna Economic Development Assn., Ltd.:

- *Budgeting (not applicable).*
- *Purchasing.*
- *Disbursements.*
- *Receipts/Collections.*
- *Payroll/Personnel.*
- *Contracting.*
- *Travel and Expense Reimbursement.*
- *Credit Cards, Debit Cards, Fuel Cards and Purchase Cards.*
- *Ethics (not applicable).*
- *Debt Service (not applicable).*
- *Information Technology Disaster Recovery/Business Continuity.*
- *Prevention of Sexual Harassment.*

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Findings: We obtained and inspected the board minutes and the Organization's charter from the management of Gretna Economic Development Assn., Ltd. for the period.

Our examination found that the board met at least once per month (always with a quorum). This procedure is in accordance with the Organization's charter.

The minutes frequently referred to financial matters, but did not include monthly budget-to-actual comparisons because the Organization is not required to prepare a budget. A recommendation was made that the minutes include or reference financial activity relating to public funds to produce a written record of this discussion.

(Item iii, the section relating to governmental entities, does not apply to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity).

The minutes did not reference updates on the progress of resolving audit findings. A recommendation was made that the board receive monthly updates on the resolution of audit findings and that the board minutes reflect these updates until the findings are considered fully resolved.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a 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
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

We obtained, from the listing, the bank statements and bank reconciliations for each month in the period for all of the Organization's bank accounts. We selected all months in the period to examine, and obtained and inspected the corresponding bank statements and reconciliations on all accounts.

For each month, a reconciliation was prepared for each account, but the reconciliation was not always prepared within two months of the related statement closing date. A recommendation was made that all bank reconciliations in the future be prepared within two months of the statement closing date.

Our examination showed that a member of management did not review all bank statements and bank reconciliations. A recommendation was made that a member of management who does not handle cash, post ledgers, or issue checks review and sign all bank statements, and each reconciliation form in the future as evidence of their review and approval.

Our examination found that not all of the old outstanding items were researched and written off by year end. A recommendation was made that this procedure be done in the future.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the period.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. 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 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s deposit sites and collection locations for the period. Management stated that these listings are complete in their management representation letter dated June 27, 2023.

Gretna Economic Development Assn., Ltd.'s collection locations for the period were the Gretna Heritage Festival, the Gretna Farmers' Market, the Franklin Street Bingo Hall, and the Organization's office. We selected all collection locations for examination. We obtained and inspected written policies and procedures relating to job duties and observed the segregation of job duties at each collection location.

Our examination found that controls over cash trays ensure that cash trays were always limited to only one cashier.

We found that the persons responsible for collecting funds were not also responsible for depositing the funds in the bank and recording the related transactions. The Director verifies and initials all deposits before depositing the funds in the bank. The Administrative Assistant records all deposits after receiving the deposit slip back from the bank.

The Organization has a formal process to reconcile collections to the general ledger. The person reconciling the deposits to the general ledger is an independent individual who is not responsible for the collections as noted in the preceding paragraph.

We obtained the Organization's insurance policy for theft. Our inspection found that those persons responsible for collecting cash are covered by an insurance policy for theft through

the Organization's cyber and crime coverage. The insurance policy was in force during the entire period under examination.

We selected two deposits from each of the Organization's bank accounts and obtained supporting documentation.

Sequentially numbered receipt slips are not utilized, but sufficient documentation existed to verify cash collections. Additional safeguards are recommended to be initiated for this area.

Collections were traced to the deposit slips and the deposit slip totals were traced to the bank statements. All collections were properly recorded on the deposit slips and bank statements.

Our examination found that the deposits for the collection locations were not always made within one day of collection. The number of days varies, but the deposits were always made within three days of collection.

The deposits on the bank statements were traced to the general ledger. All deposits examined were properly recorded and accounted for.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A 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, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. 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;
 - iv. 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; and

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A 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
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s locations that process payments from the Organization's management. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

For our inspection, we selected all of the Organization's disbursement locations and obtained a listing of those employees involved with non-payroll purchasing and payment functions. We obtained written policies and procedures relating to the employees' job duties and observed whether the job duties were properly segregated.

For the locations inspected, we found that at least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase. Although purchase orders/requisitions are not utilized, a signature is required for all invoices to be approved for payment, and two signatures are required on all checks disbursed.

We found that purchases were processed and approved by a person who did not initiate the purchase. An approval stamp was used in most cases to formalize the approval of the disbursement. The Organization has a system of requiring two signatures from any of the board members or officers on all disbursements, which mandates two employees to be involved in the process of processing and approving payments to vendors.

During our inspection of procedures for processing payments and adding vendors, we found that both the Director and the Administrative Assistant are able to add vendors to the Organization's disbursement system. However, neither of these individuals are authorized to sign checks.

Our examination of control over checks which are already signed found that the signed checks are maintained under the control of the Director or Administrative Assistant until mailed. The checks are mailed by an employee who is not responsible for processing payments.

We found that only those employees authorized to sign checks are authorized to approve the electronic disbursement of funds, whether through automated clearinghouse, electronic funds transfer, wire transfer, or some other electronic means. All wires and transfers of funds require board approval.

We selected more than 25 disbursements from the Organization's non-payroll disbursement transaction population and obtained supporting documentation. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

Not all disbursements matched the related invoices. Most of the invoices were marked and approved with a signature stamp which segregates the approval and payment functions and verifies that the items listed on the invoice were received by the Organization. A recommendation was made that all invoices should be marked and approved with a signature stamp to segregate the approval and payment functions and that proper documentation is attached for all disbursements which includes the proper related invoices.

We selected five non-payroll related electronic disbursements. Each electronic disbursement was approved by only those persons authorized to disburse funds and was approved by the required number of authorized signers per the entity's policy. All wires and transfers of funds require board approval.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards for the 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.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the 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
 - i. Observe whether 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) were reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder (those instances

requiring such approval that may constrain the legal authority of certain public officials, such as mayor of a Lawrason Act municipality, should not be reported); and

- ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: We obtained a listing of Gretna Economic Development Assn., Ltd.'s credit card accounts and the individuals who maintained possession of the cards. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

The Organization has a Mastercard and an Office Depot card. The Organization does not have any debit cards, fuel cards, or purchase cards. The Mastercard is mainly used for office and festival expenses by the Director. The Office Depot card is mainly used for office supplies by the Administrative Assistant with the Director's approval.

We selected all of the credit cards and obtained the monthly statements. We examined all transactions and found that not all credit card statements contained approval. A recommendation was made that all credit card statements contain an approval stamp signed by someone other than the authorized card holder as evidence of approval.

Our examination of the statements found that no finance charges or late fees were assessed on the credit card statements.

We selected ten transactions from each credit card statement examined above and obtained supporting documentation.

Our examination found that some of the credit card transactions lacked the appropriate itemized receipt and did not list the business/public purpose. The receipts for meals should also always include a list of the attendees. A recommendation was made to include an itemized receipt for all credit card purchases, and to include the business/public purpose and list of attendees for meals on all documentation.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U. S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: We have obtained a listing of all travel and travel-related expense reimbursements from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

During our examination, we found that there were no travel or travel-related expense reimbursements during the year. Also, no expenses for meals were found to be reimbursed.

8) Contracts

- A. 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 period. *Alternatively, 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
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the 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.

Findings: We obtained a listing of all agreements/contracts that were initiated or renewed during the period from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

For our examination, we selected 5 contract vendors that received payments during the period. All services examined had a formal written contract in place, and the services and the amounts paid were properly supported.

Our examination found that either the Louisiana Public Bid Law or the Organization's purchasing guidelines (which sometimes include obtaining quotes) were followed. We also found that each contract was approved by the Board of Directors of the Organization.

No amendments were found to the contracts selected.

We examined one payment from each of the contracts selected above and obtained the supporting invoices. The invoices and payments agreed to the terms and conditions of the contracts.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the period. For the 5 employees or officials selected under procedure #9A. above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: We obtained a listing of all employees who were employed and a listing of all employees who terminated employment during the period from the management of Gretna Economic Development Assn., Ltd. Management stated that these listings are complete in their management representation letter dated June 27, 2023.

We selected five employees, obtained their related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files. We found that these payments were made in accordance with the Organization's employment pay rate structure.

We selected one pay period during the period and obtained attendance records. We found that daily attendance was properly documented. There is no leave, vacation, sick, or compensatory time in connection with the employees of Gretna Economic Development Assn., Ltd. The rates of pay to each employee agreed to the authorized salary/pay rate found within the employee's personnel file.

Our examination found that no employees terminated their employment during the period.

Management stated, in their management representation letter dated June 27, 2023, that all of the employer and employee portions of payroll taxes and workers' compensation premiums were paid, and the associated forms were filed by the required deadlines. We obtained copies of Gretna Economic Development Assn., Ltd.'s payroll tax reports and records of their payroll tax payments. All were processed and all tax payments have been paid. We also examined the check vouchers and reports, and verified that workers' compensation premiums were paid timely. The Organization does not provide health insurance or retirement for its employees. None of the employees payroll records showed any garnishment payments that were required to be paid.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: This section is not applicable to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity.

11) Debt Service

- A. Obtain a listing of bond/notes and other debt instruments issued during the period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bond/notes outstanding at the end of the period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: This section is not applicable to Gretna Economic Development Assn., Ltd. because the Organization is a non-profit entity.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings: We obtained a listing of misappropriations of public funds and assets during the period from the management of Gretna Economic Development Assn., Ltd. Management stated that this listing is complete in their management representation letter dated June 27, 2023.

The management of Gretna Economic Development Assn., Ltd. has indicated that there were no cases where funds or property of Gretna Economic Development Assn., Ltd.'s office were misappropriated during the period.

The notice required by R.S. 24:523.1 regarding the reporting of misappropriation, fraud, waste, or abuse of public funds is posted on their premises. A link was provided on the Organization's website that directs the user to the Louisiana Legislative Auditor's site regarding the reporting of misappropriation, fraud, waste, or abuse of public funds as required by R.S. 24:523.1.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week (b) was not stored on the government's local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings: We performed the above procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344.
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: We observed that management has included the required sexual harassment documentation in its policies and procedures manual, but has not yet begun to enforce that each employee complete at least one hour of training per calendar year. This training will be completed by each employee in the following year.

We observed that the Organization has posted its sexual harassment policy and complaint procedure on its website.

The Organization advises that there were no instances of sexual harassment complaints during the period. The annual sexual harassment report was completed as required by R.S. 42:344.

We were engaged by Gretna Economic Development Assn., Ltd. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Statewide Agreed-Upon Procedures. 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.

We are required to be independent of Gretna Economic Development Assn., Ltd. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, 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 Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script, reading "Uzee, Butler, Arceneux & Bowes", written over a horizontal line.

Uzee, Butler, Arceneux & Bowes
Certified Public Accountants
Harvey, Louisiana

June 27, 2023



327 Huey P. Long Avenue Gretna, LA 70053
Phone 504-361-7748 Fax 504-361-7758

June 27, 2023

Independent Accountant's Report on Applying Agreed-Upon Procedures
Management Response

Year Ended December 31, 2022

1) BOARD OR FINANCE COMMITTEE

I. Procedure #2Aii:

- A. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and
- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the period.*

FINDING

The minutes frequently referred to financial matters, but did not include monthly budget-to-actual comparisons because the Organization is not required to prepare a budget. A recommendation was made that the minutes include or reference financial activity relating to public funds to produce a written record of this discussion.

MANAGEMENT'S RESPONSE

We will ensure that all board meeting minutes for all months reference the board's discussion of financial activity relating to public funds for that month to produce a written record of this discussion.

II. Procedure #2Aiv:

- A. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s) according to management's corrective action plan at each meeting until the findings are considered fully resolved.

FINDING

The minutes did not reference updates on the progress of resolving audit findings. A recommendation was made that the board receive monthly updates on the resolution of audit findings and that the board minutes reflect these updates until the findings are considered fully resolved.

MANAGEMENT'S RESPONSE

We will ensure that the board receives monthly updates on the resolution of audit findings and that the board minutes reflect these updates until the findings are considered fully resolved.

2) BANK RECONCILIATIONS

I. Procedure #3Ai:

- A. Obtain a listing of entity bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

FINDING

For each month, a reconciliation was prepared for each account, but the reconciliation was not always prepared within two months of the related statement closing date. A recommendation was made that all bank reconciliations in the future be prepared within two months of the statement closing date.

MANAGEMENT'S RESPONSE

We will ensure that all bank reconciliations are prepared within two months of the statement closing date.

II. Procedure #3Aii:

- A. Obtain a listing of entity bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - ii. Bank reconciliations include written evidence that a member of management or a 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

Our examination showed that a member of management did not review all bank statements and bank reconciliations. A recommendation was made that a member of management who does not handle cash, post ledgers, or issue checks review and sign all bank statements and each reconciliation form in the future as evidence of their review and approval.

MANAGEMENT'S RESPONSE

We will ensure that a member of management review and sign both the bank statement and bank reconciliation forms each month in the future as evidence of their review and approval.

III. Procedure #3Aiii:

- A. Obtain a listing of entity bank accounts for the 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 period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

FINDING

Our examination found that not all of the old outstanding items were researched and written off by year end. A recommendation was made that this procedure be done in the future.

MANAGEMENT'S RESPONSE

We will ensure that all old outstanding items on the bank reconciliations are researched and written off by year end.

3) COLLECTIONS

Procedure #4Di:

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (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). *Alternatively, 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:

- i. Observe that receipts are sequentially pre-numbered.

FINDING

Sequentially numbered receipt slips are not utilized, but sufficient documentation existed to verify cash collections. Additional safeguards are recommended to be initiated for this area.

MANAGEMENT'S RESPONSE

We will ensure that additional safeguards are instituted to protect and verify all collections.

4) NON-PAYROLL DISBURSEMENTS

Procedure #5Ci and ii:

C. For each location selected under procedure #5A 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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity, and
- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B above, as applicable.

FINDING

Not all disbursements matched the related invoices. Most of the invoices were marked and approved with a signature stamp which segregates the approval and payment functions and verifies that the items listed on the invoice were received by the Organization. A recommendation was made that all invoices should be marked and approved with a signature stamp to segregate the approval and payment functions and that proper documentation is attached for all disbursements which includes the proper related invoice.

MANAGEMENT'S RESPONSE

We will ensure that all invoices are marked and approved with a signature stamp to segregate approval and payment functions and that proper documentation is attached for all disbursements which includes the correct related invoice.

5) CREDIT CARDS/DEBIT CARDS/FUEL CARDS/PURCHASE CARDS

I. Procedure #6Bi:

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the 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:
- i. Observe whether 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) were reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as mayor of a Lawrason Act municipality, should not be reported); and

FINDING

We selected all of the credit cards and obtained the monthly statements. We examined all transactions and found that not all credit card statements contained approval. A recommendation was made that all credit card statements contain an approval stamp signed by someone other than the authorized card holder as evidence of approval.

MANAGEMENT'S RESPONSE

We will ensure that all monthly credit card statements contain an approval stamp signed by someone other than the authorized card holder as evidence of approval.

II. Procedure #6C:

- C. Using the monthly statements or combined statements selected under procedure #7B 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 (e.g., each card should have 10 transactions subject to inspection). 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). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

FINDING

Our examination found that some of the credit card transactions lacked the appropriate itemized receipt and did not list the business/public purpose. The receipts for meals should also always include a list of the attendees. A recommendation was made to include an itemized receipt for all credit card purchases, and to include the business/public purpose and list of attendees for meals on all documentation.

MANAGEMENT'S RESPONSE

We will ensure to attach an itemized receipt for all credit card purchases, and to include the business/public purpose and list of attendees for meals on all documentation.

6) PREVENTION OF SEXUAL HARASSMENT

Procedure #14A:

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

FINDING

We observed that management has included the required sexual harassment documentation in its policies and procedures manual, but has not yet begun to enforce that each employee complete at least one hour of training per calendar year. This training will be completed by each employee in the following year.

MANAGEMENT'S RESPONSE

We will ensure that all employees complete at least one hour of sexual harassment training each year in the future.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Teri B. Tucker", is written over a horizontal line.

Teri B. Tucker
President