

**North Louisiana Economic Partnership, Inc.**  
**Financial Statements**  
**As of and for the Years Ended December 31, 2022 and 2021**

North Louisiana Economic Partnership, Inc.

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## Independent Auditors' Report

To the Board of Directors  
North Louisiana Economic Partnership, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of North Louisiana Economic Partnership, Inc. ( 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 North Louisiana Economic Partnership, Inc. (a nonprofit organization) 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 audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 North Louisiana Economic Partnership, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 the 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 North Louisiana Economic Partnership, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' 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 auditors' 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 GAAS and *Government 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 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 GAAS and *Government 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 statements.
- 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 of the effectiveness of North Louisiana Economic Partnership, Inc.'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 North Louisiana Economic Partnership, Inc.'s ability to continue as a going concern for a reasonable period of time.

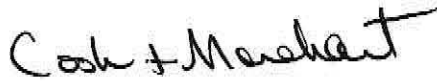
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 17, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of the North Louisiana Economic Partnership, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Louisiana Economic Partnership, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Louisiana Economic Partnership, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 23, 2023

North Louisiana Economic Partnership, Inc.  
 Statements of Financial Position  
 December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Current assets:		
Cash and cash equivalents	\$1,090,253	\$ 478,868
Accounts receivable	16,018	11,704
Grants receivable	200,042	217,857
Prepaid expenses	31,336	17,083
Unconditional promises to give	215,560	96,056
Total current assets	<u>1,553,209</u>	<u>821,568</u>
Noncurrent assets:		
Unconditional promises to give	405,017	162,336
Operating lease right-of-use asset	126,232	217,051
Property and equipment, net	3,582	
Total noncurrent assets	<u>534,831</u>	<u>379,387</u>
Total Assets	<u>\$2,088,040</u>	<u>\$ 1,200,955</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 184,054	\$ 55,798
Current portion of right-of-use operating lease liability	98,459	92,993
Total current liabilities	<u>282,513</u>	<u>148,791</u>
Non-current portion of right-of-use operating lease liability	39,384	137,843
Total liabilities	<u>321,897</u>	<u>286,634</u>
Net assets:		
With donor restrictions	826,466	350,605
Without donor restrictions	939,677	563,716
Total net assets	<u>1,766,143</u>	<u>914,321</u>
Total Liabilities and Net Assets	<u>\$2,088,040</u>	<u>\$ 1,200,955</u>

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

North Louisiana Economic Partnership, Inc.  
Statement of Activities  
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2022</u>
Revenues, gains, support and reclassifications:			
Rent and royalties	\$ 116,855	\$	\$ 116,855
Grants and contracts	550,494	125,000	675,494
Contributions and donations	1,710,041	444,600	2,154,641
Meetings and events	75,300		75,300
Miscellaneous	12,743		12,743
Net assets released from restrictions			
Satisfaction of program restrictions	93,739	(93,739)	
Total revenues, gains, support and reclassifications	<u>2,559,172</u>	<u>475,861</u>	<u>3,035,033</u>
Expenses and losses:			
Supporting services			
General and administrative	216,051		216,051
Fundraising	64,045		64,045
Program services			
Economic development	<u>1,903,115</u>		<u>1,903,115</u>
Total expenses	<u>2,183,211</u>		<u>2,183,211</u>
Change in net assets	375,961	475,861	851,822
Net assets, beginning of year	<u>563,716</u>	<u>350,605</u>	<u>914,321</u>
Net assets, end of year	<u>\$ 939,677</u>	<u>\$ 826,466</u>	<u>\$ 1,766,143</u>

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

North Louisiana Economic Partnership, Inc.  
Statement of Activities  
For the Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2021</u>
Revenues, gains, support and reclassifications:			
Rent and royalties	\$ 137,212	\$	\$ 137,212
Grants and contracts	409,463	11,000	420,463
Contributions and donations	1,303,193	251,592	1,554,785
Meetings and events	60,711		60,711
Gain on forgiveness of loan	296,025		296,025
Net assets released from restrictions			
Satisfaction of program restrictions	100,680	(100,680)	
Total revenues, gains, support and reclassifications	<u>2,307,284</u>	<u>161,912</u>	<u>2,469,196</u>
Expenses and losses:			
Supporting services			
General and administrative	217,644		217,644
Fundraising	96,674		96,674
Program services			
Economic development	<u>1,585,706</u>		<u>1,585,706</u>
Total expenses	<u>1,900,024</u>		<u>1,900,024</u>
Change in net assets	407,260	161,912	569,172
Net assets, beginning of year, restated	<u>156,456</u>	<u>188,693</u>	<u>345,149</u>
Net assets, end of year	<u>\$ 563,716</u>	<u>\$ 350,605</u>	<u>\$ 914,321</u>

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



North Louisiana Economic Partnership, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2022

	Support Services		Program Services		Totals 2022
	General and Administrative	Fundraising	Economic Development		
Salaries and commissions	\$ 138,549	\$	\$ 937,593		\$ 1,076,142
Payroll taxes	7,729		52,305		60,034
Pension expense	10,040		67,943		77,983
Other employee benefits	8,058		54,532		62,590
Advertising			18,248		18,248
Liability insurance	3,746				3,746
Building rent	2,818		19,069		21,887
Office supplies	2,988				2,988
Periodicals and dues			33,284		33,284
Postage	1,154				1,154
Professional services	23,565	64,045			87,610
Photocopy and printing			2,038		2,038
Travel	2,024		13,670		15,694
Professional development	677		4,580		5,257
Repairs and maintenance			4,184		4,184
Computer expense			35,790		35,790
Telephone	2,249		15,221		17,470
Miscellaneous	754		4,914		5,668
Annual meeting			39,678		39,678
DED - Tier I and II contracts			95,242		95,242
Other grants			64,538		64,538
Website development			2,855		2,855
Business relations			120,508		120,508
Research			6,607		6,607
Education initiatives			9,136		9,136
ACT workready			324		324
Bad debt			38,500		38,500
Advocacy			40,466		40,466
Business Development			131,102		131,102
Workforce development - FAME			11,609		11,609
Depreciation	11,700		79,179		90,879
Total expenses	<u>\$ 216,051</u>	<u>\$ 64,045</u>	<u>\$ 1,903,115</u>		<u>\$ 2,183,211</u>

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

North Louisiana Economic Partnership, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2021

	Support Services		Program Services	
	General and Administrative	Fundraising	Economic Development	Totals 2021
Salaries and commissions	\$ 136,891	\$	\$ 816,138	\$ 953,029
Payroll taxes	7,755		46,236	53,991
Pension expense	7,831		46,688	54,519
Other employee benefits	9,041		53,905	62,946
Advertising			12,418	12,418
Liability insurance	4,806			4,806
Building rent	15,626		18,851	34,477
Office supplies	2,343			2,343
Periodicals and dues			21,590	21,590
Postage	888			888
Professional services	17,434	96,674		114,108
Photocopy and printing			5,262	5,262
Travel	1,152		6,867	8,019
Professional development	251		1,494	1,745
Repairs and maintenance			6,668	6,668
Computer expense			54,506	54,506
Telephone	2,651		15,809	18,460
Miscellaneous	10,941		66,219	77,160
Annual meeting			29,465	29,465
DED - Tier I and II contracts			92,820	92,820
NELA branding			79	79
Other grants			35,825	35,825
Website development			33,232	33,232
Business relations			69,175	69,175
Research			12,642	12,642
Education initiatives			5,196	5,196
Site development expense			52,646	52,646
ACT workready			208	208
Depreciation	34		81,767	81,801
Total expenses	<u>\$ 217,644</u>	<u>\$ 96,674</u>	<u>\$ 1,585,706</u>	<u>\$ 1,900,024</u>

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

North Louisiana Economic Partnership, Inc.  
 Statements of Cash Flows  
 For the Years Ended December 31, 2022 and 2021

Operating Activities	2022	2021
Changes in net assets	\$ 851,822	\$ 569,172
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	90,879	81,801
Gain on forgiveness of loan		(296,025)
(Increase) decrease in operating assets:		
Accounts receivable	(4,314)	735
Grants receivable	17,815	(108,422)
Prepaid expenses	(14,253)	1,418
Unconditional promises to give	(362,185)	(174,358)
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	128,256	36,610
Repayments of right-of-use operating lease liabilities	(92,993)	(74,316)
Net cash provided by operating activities	615,027	36,615
 Investing Activities		
Payments for property and equipment	(3,642)	
Net cash (used) in investing activities	(3,642)	
 Financing Activities		
Proceeds from loan payable		150,000
Net cash provided by financing activities		150,000
 Net increase in cash and cash equivalents	611,385	186,615
 Cash and cash equivalents as of beginning of year	478,868	292,253
 Cash and cash equivalents as of end of year	\$ 1,090,253	\$ 478,868
 Non-cash investing and financing transaction:		
Acquisition of property		
Lease assets	\$	\$ 37,013
Lease liability		(37,013)
 Cash down payment for property and equipment	\$	\$

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

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The North Louisiana Economic Partnership, Inc. (NLEP) is a nonprofit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. The purpose of the North Louisiana Economic Partnership, Inc. is to assist local government by studying problems such as public education, crime prevention, poverty, and economic development and publicize the results of its research and recommendations, and to work for the general betterment of the North Louisiana area.

B. Basis of Accounting

The financial statements of the North Louisiana Economic Partnership, Inc. have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

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

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

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. NLEP has adopted a policy to classify donor restricted contributions as without donor restriction to the extent that donor restrictions are met in the year the contribution was received.

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the North Louisiana Economic Partnership, Inc. considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

F. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Management provides for probable uncollectible amounts through establishment of an allowance, based on its assessment of recent collection history and current donor relationships. Initial amounts recognized represent the fair value expected to be collected. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. The North Louisiana Economic Partnership, Inc. has adopted a policy of capitalizing all assets with a unit value of \$2,500 or more.

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

I. Income Tax Status

The North Louisiana Economic Partnership, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Partnership's tax-exempt purpose is subject to taxation as unrelated business income. The Partnership had no such income during this audit period. The North Louisiana Economic Partnership, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended 2019, 2020, 2021, and 2022 are subject to examination by the IRS, generally for three years after they were filed.

J. Advertising Costs

The NLEP uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2022 and 2021, advertising costs totaled \$18,248 and \$12,418, respectively.

K. Functional Expenses

The costs of providing certain activities of NLEP have been summarized on a functional basis in the statements of activities and in the statements of functional expense. Accordingly, certain costs have been allocated among programs and supported services benefited. Costs are directly charged to the functions they benefit. Facility related and supportive services expenses are allocated to each function based upon management's equitable determination.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

L. Prepaid expenses

Prepaid expenses as of December 31, 2022 and 2021, is comprised primarily of annual licensing agreements and certain expenses for 2023 event which were paid in 2022.

M. Adoption of New Accounting Pronouncement

Effective January 1, 2021, NLEP adopted FASB ASC 842, *Leases*. NLEP determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The adoption of FASB ASC 842 resulted in the recognition of operating right-of-use-assets and operating lease liabilities. Results for periods beginning prior to January 1, 2021 continue to be reported in accordance with our historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on the Organization's statement of activities, cash flows or debt covenants.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject NLEP to concentrations of credit risk consist principally of temporary cash investments, accounts receivable, grant receivables, and promises to give. Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. Concentrations of credit risk with respect to accounts receivable and promises to give are limited due to the large number of contributors comprising the North Louisiana Economic Partnership, Inc.'s contributor base and their dispersion across different industries. As of December 31, 2022 and 2021 the North Louisiana Economic Partnership, Inc. had no significant concentrations of credit risk in relation to accounts receivable, grant receivables, and promises to give.

NLEP maintains cash balances at financial institutions located in the Shreveport area. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At December 31, 2022, total cash balances held at financial institutions was \$1,108,808, of which \$500,000 was secured by FDIC, and the remaining \$608,808, was unsecured. At December 31, 2021, total cash balances held at financial institutions was \$481,028, of which \$303,544 was secured by FDIC, and the remaining \$177,484, was unsecured.

(3) Accounts Receivable

Accounts receivable of \$16,018 and \$11,704 at December 31, 2022 and December 31, 2021, respectively, is comprised of riverboat boarding fees and other miscellaneous amounts due to the North Louisiana Economic Partnership, Inc. as of the end of the year but not received until after those dates.

(4) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2022 and 2021 but not received until after those dates.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

(5) Employee Benefit Plans

NLEP participates in a 401(k) profit sharing plan whereby NLEP makes contributions to the Plan each year up to 8% of participating employee's compensation. Total expenses for the years ended December 31, 2022 and 2021 were approximately \$74,086 and \$56,832, respectively.

(6) Promises to Give

The North Louisiana Economic Partnership, Inc. initiated a campaign during 2021 entitled "2022 – 2026 Capital Campaign." Promises to give are restricted to payment of costs associated with economic development projects and projects supporting the economic growth of north Louisiana. The promises to give are discounted at .06%, and are shown net of an allowance for uncollectible promises to give of \$109,665 at December 31, 2022 and \$49,750 at December 31, 2021.

Unconditional promises to give at December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 215,560	\$ 96,056
Receivable in one to five years	405,875	163,194
Less discount on promises	<u>( 858)</u>	<u>( 858)</u>
Net unconditional promises to give	<u>\$ 620,577</u>	<u>\$ 258,392</u>

(7) Property and Equipment

Property and equipment at December 31, 2022 and 2021, with estimated depreciable life, are summarized as follows:

	Estimated Depreciable Life	<u>2022</u>	<u>2021</u>
Furniture, fixtures, equipment	3–10 years	\$ 57,821	\$ 54,178
Leasehold improvements	3–10 years	145,231	145,231
Accumulated Depreciation		<u>( 199,470)</u>	<u>( 199,409)</u>
		<u>\$ 3,582</u>	<u>\$ _____</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$61 and \$0 respectively.

(8) Contractual Revenue – Grants

During the years ended December 31, 2022 and 2021, North Louisiana Economic Partnership, Inc. received contractual revenue from federal, state and local grants in the amount of \$675,494 and \$420,463, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(9) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2022 and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 66,841	\$ 40,595
Accrued salaries	105,218	
Accrued leave payable	<u>11,995</u>	<u>15,203</u>
	<u>\$ 184,054</u>	<u>\$ 55,798</u>

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

(10) Endowment Account with Community Foundation of North Louisiana

The NLEP entered into an agreement with the Community Foundation of North Louisiana (CFNL). The agreement establishes an Agency Endowment Fund at CFNL called "Northwest Louisiana Economic Development Foundation Fund" (Fund). All property of the Fund belongs to CFNL. The fund will be used for support of the charitable purposes of the Partnership. Net income and capital appreciation of the Fund, as governed by CFNL's Spending Policy, will be paid and distributed to the Partnership at least annually, for as long as the Partnership is a Qualified Charitable Organization.

There were no transfers made to the fund during the year ended December 31, 2022. A \$10,000 transfer was made to the fund during the year ended December 31, 2021. The fair market value of the fund at December 31, 2022 and 2021, was \$303,196 and \$345,985, respectively.

(11) Leases

The NLEP leases certain office space under long-term, non-cancellable operating leases. The leases expire at various dates through 2024. The discount rate of 4.57% represents the risk-free discount rate using a period comparable with that of the individual lease term.

The right-of-use assets and lease liabilities at December 31, 2022, and 2021, are as follows:

	2022	2021
<b>Lease Assets</b>		
Operating lease right-of-use	\$ 429,418	\$ 429,418
Accumulated amortization	( 303,186)	( 212,367)
Net operating lease right-of-use	\$ 126,232	\$ 217,051
<b>Lease Liabilities</b>		
Lease liabilities as December 31	\$ 137,843	\$ 230,836
Less current portion	( 98,459)	( 92,993)
Operating lease liabilities	\$ 39,384	\$ 137,843

Total lease costs were as follows:

Operating lease costs	\$ 101,616	\$ 90,631
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Amortization expense for the years ended December 31, 2022 and 2021, totaled \$90,819 and \$81,565, respectively.

Future minimum payments required under operating leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

For the Year Ending December 31,	Principle	Interest	Total
2023	\$ 98,459	\$ 4,260	\$ 102,719
2024	39,384	468	39,852
<b>Total lease payments</b>	<b>\$ 137,843</b>	<b>\$ 4,728</b>	<b>\$ 142,571</b>

(Continued)



North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

(12) Liquidity and Availability of Financial Assets

NLEP monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. NLEP has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

Financial assets at year-end:	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 1,090,253	\$ 478,868
Accounts receivable	16,018	11,704
Grants receivable	200,042	217,857
Unconditional promises to give	<u>620,577</u>	<u>258,392</u>
Total financial assets	1,926,890	966,821
Less amounts not available to be used within one year:		
Grants and contributions restricted for specific purposes	( 205,889)	( 92,213)
Non-current portion of promises to give	<u>( 405,017)</u>	<u>( 162,336)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,315,984</u>	<u>\$ 712,272</u>

The Statement of Cash Flows identifies the sources and uses of NLEP's cash and shows positive cash provided by operations of \$615,027 and \$36,615 for fiscal years ending December 31, 2022 and 2021, respectively.

(13) Net Assets

Net assets at December 31, 2022, and 2021, consisted of the following:

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions:		
Undesignated	<u>\$ 939,677</u>	<u>\$ 563,716</u>
Total net assets without donor restrictions	<u>939,677</u>	<u>563,716</u>
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose -		
Unconditional promises to give	620,577	258,392
ACT work ready	80,889	81,213
Site certification	<u>125,000</u>	<u>11,000</u>
Total net assets with donor restrictions	<u>826,466</u>	<u>350,605</u>
Total Net Assets	<u>\$1,766,143</u>	<u>\$ 914,321</u>

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2022 and 2021  
(Continued)

(14) Restatement

Net assets at December 31, 2020, were restated to reflect the adoption of the Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), issued by the Financial Accounting Standards Board ("FASB").

	<u>Net Assets</u>
Balance, December 31, 2020, as previously reported	\$ 351,684
Restatement for adoption of new standard	<u>( 6,535)</u>
Balance, December 31, 2020, restated	<u>\$ 345,149</u>

(15) Subsequent events

Subsequent events have been evaluated through June 23, 2023, the date the financial statements were available to be issued.

(16) Loan Payable

In April 2020, NLEP received loan proceeds in the amount of approximately \$146,025 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. NLEP applied for and received forgiveness for the full amount of the loan of \$146,025, in January 2021. This amount is included in the gain on forgiveness of loan amount on the Statement of Activities.

During 2021, NLEP received a second PPP loan in the amount of \$150,000. The second loan was forgiven in October 2021. This amount is included in the gain on forgiveness of loan amount on the Statement of Activities.

North Louisiana Economic Partnership, Inc.  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2022

Agency Head: Justyn Dixon, President

The following payments were made from public funds:

Registration fees	\$	2,220
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# COOK & MOREHART

*Certified Public Accountants*

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Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

To the Board of Directors  
North Louisiana Economic Partnership, Inc.

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 North Louisiana Economic Partnership, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Louisiana Economic Partnership, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 North Louisiana Economic Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the North Louisiana Economic Partnership, Inc.'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.

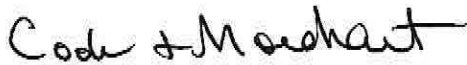
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Louisiana Economic Partnership, Inc.'s financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Cook & Morehart  
Certified Public Accountants  
June 23, 2023

North Louisiana Economic Partnership, Inc.  
Summary Schedule of Audit Findings  
December 31, 2022

**Summary Schedule of Prior Audit Findings**

There were no findings reported for the prior year audit for the year ended December 31, 2021.

**Corrective Action Plan for Current Year Audit Findings**

There are no findings reported for the current year audit for the year ended December 31, 2022.

# COOK & MOREHART

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## Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Directors  
North Louisiana Economic Partnership, Inc.  
Shreveport, Louisiana  
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2022 through December 31, 2022. North Louisiana Economic Partnership, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

North Louisiana Economic Partnership, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2022 through December 31, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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.

Procedures performed. No exceptions noted.

## 2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal 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 fiscal 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 fiscal 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.

Procedures performed. No exceptions noted.

### **3) Bank Reconciliations**

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

Procedures performed. No exceptions noted.

### **4) Collections (excluding electronic funds transfers)**

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 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 fiscal 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.

Procedures performed. No exceptions noted.

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

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

Procedures performed. Noted the following exceptions:

*Exception:* The employee responsible for processing payments can add/modify vendor files.

*Exception:* The employee responsible for processing payments is also responsible for mailing payments after signatures are obtained.

*Exception:* One invoice selected for testing was paid by ACH without documented approval.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - 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 the 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.

Procedures performed. No exceptions noted.

**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 fiscal 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](http://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.

Procedures performed. No exceptions noted.

**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 fiscal 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 fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedures performed. No exceptions noted.

**9) Payroll and Personnel**

- A. Obtain a listing of employees and officials employed during the fiscal 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 fiscal 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 fiscal 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.

Procedures performed. No exceptions noted.

**10) Ethics**

Not applicable to nonprofit organizations.

**11) Debt Service**

Not applicable to nonprofit organizations.

**12) Fraud Notice**

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal 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.

Procedures performed. No exceptions noted.

### **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.

We performed the procedures and discussed the results with management.

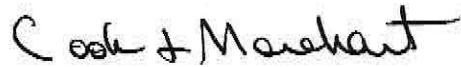
### **14) Prevention of Sexual Harassment**

Not applicable to NLEP.

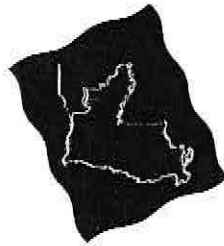
We were engaged by North Louisiana Economic Partnership, Inc., to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing 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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of North Louisiana Economic Partnership, Inc., and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Cook & Morehart  
Certified Public Accountants  
June 23, 2023



**NORTH LOUISIANA ECONOMIC PARTNERSHIP**

June 23, 2023

Cook & Morehart, CPAs  
1215 Hawn Ave  
Shreveport, LA 71107

The North Louisiana Economic Partnership submits the following responses to the exceptions identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2022:

*Exceptions:* The employee responsible for processing payments can add/modify vendor files.

*Response:* All payments are approved by management.

*Exceptions:* The employee responsible for processing payments is also responsible for mailing payments after signatures are obtained.

*Response:* Management will consider alternative procedures.

*Exception:* One invoice selected for testing was paid by ACH without documented approval.

*Response:* NLEP policy is that all disbursements are approved prior to payment. Bank statements are reviewed by management on a monthly basis.

Sincerely,

Justyn B. Dixon  
President/CEO