

North Louisiana Economic Partnership, Inc.

Financial Statements

As of and for the Years Ended December 31, 2021 and 2020

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, 2021 and 2020, 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, 2021 and 2020, 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. 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 16, 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2022, 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 29, 2022

North Louisiana Economic Partnership, Inc.
 Statements of Financial Position
 December 31, 2021 and 2020

Assets	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 478,868	\$ 292,253
Accounts receivable	11,704	12,439
Grants receivable	217,857	109,435
Prepaid expenses	17,083	18,501
Unconditional promises to give	96,056	76,659
Total current assets	<u>821,568</u>	<u>509,287</u>
Noncurrent assets:		
Unconditional promises to give	162,336	7,375
Property and equipment, net		235
Total noncurrent assets	<u>162,336</u>	<u>7,610</u>
Total Assets	<u>\$ 983,904</u>	<u>\$ 516,897</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 55,798	\$ 19,188
Loan payable		146,025
Total current liabilities	<u>55,798</u>	<u>165,213</u>
Net assets:		
With donor restrictions	350,605	188,693
Without donor restrictions	577,501	162,991
Total net assets	<u>928,106</u>	<u>351,684</u>
Total Liabilities and Net Assets	<u>\$ 983,904</u>	<u>\$ 516,897</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

	Without Donor Restrictions	With Donor Restrictions	Total 2021
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>1,578,456</u>		<u>1,578,456</u>
Total expenses	<u>1,892,774</u>		<u>1,892,774</u>
Change in net assets	414,510	161,912	576,422
Net assets, beginning of year	<u>162,991</u>	<u>188,693</u>	<u>351,684</u>
Net assets, end of year	<u>\$ 577,501</u>	<u>\$ 350,605</u>	<u>\$ 928,106</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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2020
Revenues, gains, support and reclassifications:			
Rent and royalties	\$ 111,963	\$	\$ 111,963
Grants and contracts	319,618	17,446	337,064
Contributions and donations	743,488	70,000	813,488
Miscellaneous	52,981		52,981
Net assets released from restrictions			
Satisfaction of program restrictions	147,136	(147,136)	
Total revenues, gains, support and reclassifications	1,375,186	(59,690)	1,315,496
Expenses and losses:			
Supporting services			
General and administrative	159,664		159,664
Fundraising	30,000		30,000
Program services			
Economic development	1,250,401		1,250,401
Total expenses	1,440,065		1,440,065
Change in net assets	(64,879)	(59,690)	(124,569)
Net assets, beginning of year	227,870	248,383	476,253
Net assets, end of year	\$ 162,991	\$ 188,693	\$ 351,684

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

	<u>Support Services</u>		<u>Program Services</u>	Totals 2021
	General and Administrative	Fundraising	Economic Development	
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		93,166	108,792
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		202	236
Total expenses	<u>\$ 217,644</u>	<u>\$ 96,674</u>	<u>\$ 1,578,456</u>	<u>\$ 1,892,774</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, 2020

	Support Services		Program Services		Totals 2020
	General and Administrative	Fundraising	Economic Development		
Salaries and commissions	\$ 81,089	\$	\$ 565,089	\$	646,178
Payroll taxes	6,043		42,111		48,154
Pension expense	6,487		45,206		51,693
Other employee benefits	7,294		50,829		58,123
Advertising			6,407		6,407
Liability insurance	3,966				3,966
Building rent	17,973		125,251		143,224
Office supplies	1,821				1,821
Periodicals and dues			21,841		21,841
Postage	485				485
Professional services	19,830	30,000	1,393		51,223
Photocopy and printing			3,154		3,154
Travel	1,043		7,271		8,314
Repairs and maintenance			9,456		9,456
Computer expense			19,252		19,252
Telephone	2,763		19,256		22,019
Miscellaneous	10,487		52,501		62,988
Annual meeting			40,532		40,532
DED - Tier I and II contracts			69,177		69,177
NELA branding			887		887
Other grants			87,796		87,796
Website development			2,640		2,640
Business relations			42,078		42,078
Strategic plan	297				297
Research			7,775		7,775
Education initiatives			782		782
ACT workready			4,288		4,288
Bad debt			24,831		24,831
Depreciation	86		598		684
Total expenses	<u>\$ 159,664</u>	<u>\$ 30,000</u>	<u>\$ 1,250,401</u>	<u>\$</u>	<u>1,440,065</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, 2021 and 2020

Operating Activities	2021	2020
Changes in net assets	\$ 576,422	\$ (124,569)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	235	684
Gain on forgiveness of loan	(296,025)	
(Increase) decrease in operating assets:		
Accounts receivable	735	17,422
Grants receivable	(108,422)	(82,370)
Prepaid expenses	1,418	7,927
Unconditional promises to give	(174,358)	62,730
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	36,610	(6,966)
Net cash provided (used) by operating activities	36,615	(125,142)
Financing Activities		
Proceeds from loan payable	150,000	146,025
Net cash provided by financing activities	150,000	146,025
Net increase in cash and cash equivalents	186,615	20,883
Cash and cash equivalents as of beginning of year	292,253	271,370
Cash and cash equivalents as of end of year	\$ 478,868	\$ 292,253

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

North Louisiana Economic Partnership, Inc.
Notes to Financial Statements
December 31, 2021 and 2020

(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, 2021 and 2020
(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 or 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 2018, 2019, 2020, and 2021 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 2021 and 2020, advertising costs totaled \$12,418 and \$6,407, 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, 2021 and 2020
(Continued)

L. Prepaid expenses

Prepaid expenses as of December 31, 2021 and 2020, is comprised primarily of annual licensing agreements.

(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, 2021 and 2020 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, 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. At December 31, 2020, total cash balances held at financial institutions was \$346,817, all of which was secured by FDIC.

(3) Accounts Receivable

Accounts receivable of \$11,704 and \$12,439 at December 31, 2021 and December 31, 2020, 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) 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 \$49,750 at December 31, 2021 and \$14,880 at December 31, 2020.

Unconditional promises to give at December 31, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Receivable in less than one year	\$ 96,056	\$ 76,659
Receivable in one to five years	163,194	7,661
Less discount on promises	<u>(858)</u>	<u>(286)</u>
Net unconditional promises to give	<u>\$ 258,392</u>	<u>\$ 84,034</u>

(Continued)

North Louisiana Economic Partnership, Inc.
Notes to Financial Statements
December 31, 2021 and 2020
(Continued)

(5) 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, 2021 and 2020 but not received until after those dates.

(6) Property and Equipment

Property and equipment at December 31, 2021 and 2020, with estimated depreciable life, are summarized as follows:

	Estimated Depreciable Life	2021	2020
Furniture, fixtures, equipment	3–10 years	\$ 54,178	\$ 71,292
Leasehold improvements	3–10 years	145,231	145,231
Accumulated Depreciation		(199,409)	(216,288)
		\$	\$ 235

Depreciation expense for the years ended December 31, 2021 and 2020 was \$235 and \$684, respectively.

(7) Contractual Revenue – Grants

During the years ended December 31, 2021 and 2020, North Louisiana Economic Partnership, Inc. received contractual revenue from state and local grants in the amount of \$388,308 and \$337,064, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2021 and 2020, consisted of the following:

	2021	2020
Accounts payable	\$ 40,595	\$ 10,371
Accrued leave payable	15,203	8,817
	\$ 55,798	\$ 19,188

(9) 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, 2021 and 2020 were approximately \$56,832 and \$51,693, respectively.

(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.

(Continued)

North Louisiana Economic Partnership, Inc.
Notes to Financial Statements
December 31, 2021 and 2020
(Continued)

A \$10,000 transfer was made to the fund during the year ended December 31, 2021. There were no transfers made to the fund during the year ended December 31, 2020. The fair market value of the fund at December 31, 2021 and 2020, was \$345,985 and \$302,079, respectively.

(11) Operating Leases

The NLEP leases certain office space and office equipment under operating leases. Rental costs on the leases for the years ended December 31, 2021 and 2020, totaled \$111,011 and \$133,569, respectively.

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending December 31,		
2022	\$	101,616
2023		102,719
2024		<u>39,852</u>
Total minimum future rentals	\$	<u>244,187</u>

(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:

	2021	2020
Financial assets at year-end:		
Cash and cash equivalents	\$ 478,868	\$ 292,253
Accounts receivable	11,704	12,439
Grants receivable	217,857	109,435
Unconditional promises to give	<u>258,392</u>	<u>84,034</u>
Total financial assets	966,821	498,161
Less amounts not available to be used within one year:		
Grants and contributions restricted for specific purposes	(92,213)	(104,659)
Non-current portion of promises to give	<u>(162,336)</u>	<u>(7,375)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 712,272</u>	<u>\$ 386,127</u>

In addition to financial assets available to meet general expenditures over the year, NLEP operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements and contributions. NLEP also received \$150,000 and \$146,025 loan proceeds under the Paycheck Protection Program (PPP) in April 2021 and April 2020, respectively. The loan and accrued interest are forgivable after twenty-four weeks, as long as proceeds are used for eligible purposes. Both loans were forgiven during the year ended December 31, 2021. The Statement of Cash Flows identifies the sources and uses of NLEP's cash and shows positive cash generated by operations of \$36,615 and negative cash generated by operations of (\$125,142) for fiscal years ending December 31, 2021 and 2020, respectively.

(Continued)

North Louisiana Economic Partnership, Inc.
Notes to Financial Statements
December 31, 2021 and 2020
(Continued)

(13) Net Assets

Net assets at December 31, 2021, and 2020, consisted of the following:

	2021	2020
Net Assets Without Donor Restrictions:		
Undesignated	\$ 577,501	\$ 162,756
Net investment in property and equipment		235
Total net assets without donor restrictions	577,501	162,991
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose -		
Unconditional promises to give	258,392	84,034
ACT work ready	81,213	81,213
Site certification	11,000	6,000
Business development		17,446
Total net assets with donor restrictions	350,605	188,693
Total Net Assets	\$ 928,106	\$ 351,684

(14) 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.

(15) Subsequent events

Subsequent to December 31, 2021, NLEP entered into a contractual agreement for campaign management in the amount of approximately \$8,000 to \$10,000 per month for a minimum of four months.

Subsequent events have been evaluated through June 29, 2022, the date the financial statements were available to be issued.

(16) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which may negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

North Louisiana Economic Partnership, Inc.
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head: Angie White, Interim President (1/1/21 - 3/31/21)

The following payments were made from public funds:

Salary	\$	5,250
Continuing professional education fees		475

Agency Head: Justyn Dixson, President (4/1/21 - 12/31/21)

The following payments were made from public funds:

Registration fees	\$	4,950
Conference travel		650

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, 2021, 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 29, 2022.

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 29, 2022

North Louisiana Economic Partnership, Inc.
Summary Schedule of Audit Findings
December 31, 2021

Summary Schedule of Prior Audit Findings

There were no findings reported for the prior year audit for the year ended December 31, 2020.

Corrective Action Plan for Current Year Audit Findings

There are no findings reported for the current year audit for the year ended December 31, 2021.

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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, 2021 through December 31, 2021. The 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, 2021 through December 31, 2021. 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:

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions (including periodic confirmation with outside

parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above, as applicable.

Board or Finance Committee

2. 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:

- a) 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.

The Board of Directors for the NLEP met in accordance with the organization's bylaws.

- b) 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. Alternately, for those entities reporting on the nonprofit 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.

Board minutes referenced financial activity relating to public funds.

- c) 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.

NLEP is not a governmental entity.

Bank Reconciliations

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

Management provided the requested information, along with management's representation that the listing is complete.

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

Bank reconciliations selected included evidence that they were prepared within 2 months of the related statement closing date.

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

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

For the accounts selected, there were no items outstanding more than 12 months.

Collections

4. 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).

Management provided the requested information, along with management's representation that the listing is complete.

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

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

Cash drawers/registers are not used, due to no currency being collected by the agency.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

The employee responsible for collecting is responsible for preparing/making bank deposits; however, another employee is responsible for reconciling collection documentation to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

The employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers; however, another employee is responsible for reconciling And an outside CPA firm reviews and approves bank reconciliations.

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

The employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers; however, another employee is responsible for reconciling and an outside CPA firm reviews and approves bank reconciliations.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

All employees are covered under a blanket theft policy.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

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

NLEP. does not utilize sequentially pre-numbered receipt books.

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

For the deposits selected for testing, collection documentation was traced to the deposit slips.

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

For the deposits selected for testing, the actual deposit was traced to the bank statement.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).

The deposits selected for testing were made within one business day of receipt at the collection location.

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

For the deposits selected for testing, all were traced to the general ledger.

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

- 8. 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).

Management provided the requested information, along with management's representation that the listing is complete.

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to

employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

NLEP's written policies and procedures and employee job duties provide for the segregation of duties as noted above, except as noted below:

Exception: The employee that processes payments can add/modify vendor files and mails out the signed checks.

Management's Response: All vendor payments are approved by management prior to payments being made.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice and included evidence of segregation of duties, except as noted below:

Exception: The employee that processes payments can add/modify vendor files and mails out the signed checks.

Management's Response: All vendor payments are approved by management prior to payments being made.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Management provided the requested information, along with management's representation that the listing is complete.

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

- a) Observe 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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.].

For each card selected for testing, there were attributes indicating that someone other than the authorized card holder reviewed and approved the monthly statements and supporting documentation for the items selected for testing.

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

None of the statements selected for testing contained finance charges and or late fees.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Transactions tested were supported by original itemized receipts.

- 2) Written documentation of the business/public purpose.

Transactions tested were supported with the business purpose documentation.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Transactions selected for testing were supported by individuals participating in the meals.

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

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

- a) If reimbursed using a per diem, observe 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).

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

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

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

Management provided the requested information, along with management's representation that the listing is complete. The reimbursements selected for testing were within State of Louisiana per diem rates, supported by an original itemized receipt that identified what was purchased supported by documentation of business purpose, and was reviewed and approved, in writing, by someone other than the person receiving the reimbursement .

Contracts

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

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

Contracts selected for testing were not subject to the Louisiana Public Bid Law.

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

Contracts tested were approved in accordance with the organization's policy.

c) If the contract was amended (e.g., change order), observe 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, was approval documented).

The contracts selected for testing were not amended.

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

For the invoices selected for testing, invoices agreed to the contract terms, and the related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates in the personnel files.

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

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Exception: For the transactions selected for testing, daily attendance was not documented. All transactions tested were for salaried employees.

Management's Response: NLEP policies do not require documentation of daily attendance for salaried employees.

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

Exception: For the transactions selected for testing, daily attendance was not documented. All transactions tested were for salaried employees.

Management's Response: NLEP policies do not require documentation of daily attendance for salaried employees.

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

Exception: For the transactions selected for testing, none of the employees took leave.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Exception: For the transactions selected for testing, the rate of pay to the employees agreed to the authorized salary/pay rate found within the personnel file.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

NLEP did not pay out any termination payments during the fiscal period.

19. 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.

Management provided representation that employer and employee portions of third party payroll related amounts (e.g. payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, etc) have been paid, and any associated forms have been filed, by required deadlines.

Ethics

Not applicable to nonprofit organizations.

Debt Service

Not applicable to nonprofit organizations.

Fraud Notice

23. 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.

Management of NLEP represented that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe 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

We observed that NLEP 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.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

c) 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.

We performed the procedure and discussed the results with management.

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.

A handwritten signature in black ink, appearing to read "Cook & Morehart". The signature is fluid and cursive, with a long horizontal stroke extending to the right from the end of the name.

Cook & Morehart
Certified Public Accountants
June 29, 2022