



South Louisiana Economic Council

Assumption • Lafourche • St. Mary • Terrebonne

**SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, LA**

**Independent Accountant's Audit Report and
Financial Statements**

For the Year Ended December 31, 2022



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com

**SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, Louisiana**

**Independent Accountant’s Audit Report on Financial Statements
As of and for the year ended December 31, 2022**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
South Louisiana Economic Council, Inc.
Thibodaux, Louisiana**

We have audited the accompanying financial statements of the South Louisiana Economic Council, Inc. (the Council), a nonprofit organization, which comprise the statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the South Louisiana Economic Council, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 the Council and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 on the effectiveness of the Council'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 the Council’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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information *Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer* is presented in accordance with Act 706 of the Louisiana Revised Statutes (“LRS”) 24:513(A)(3) on page

13 for purposes of additional analysis and is not a required part of the financial statements. The 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 July 27, 2023, on our consideration of the Council'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



Thibodaux, Louisiana
July 27, 2023

Financial Section

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Statement of Financial Position
December 31, 2022

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 44,192
Grant and contracts receivable	164,109
Investment in cooperative endeavor agreement	36,487
TOTAL CURRENT ASSETS	244,788

PROPERTY AND EQUIPMENT:

Furniture & equipment	82,984
Building improvements	63,082
Accumulated depreciation	(67,281)
TOTAL PROPERTY & EQUIPMENT	78,786

OTHER ASSETS:

Investment in cooperative endeavor agreement	163,849
TOTAL OTHER ASSETS	163,849

TOTAL ASSETS	\$ 487,423
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 58,623
Other current liabilities	57
TOTAL CURRENT LIABILITIES	58,680

LONG TERM LIABILITIES:

Line of credit payable	151,089
TOTAL LONG TERM LIABILITIES	151,089

NET ASSETS:

Net assets without donor restrictions	77,211
Net assets with donor restrictions	200,443
TOTAL NET ASSETS	277,654

TOTAL LIABILITIES & NET ASSETS	\$ 487,423
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The accompanying notes are an integral part of these financial statements.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Statement of Activities
For the Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Governmental grants and local industry contracts	\$ 47,000	\$ 800,646	\$ 847,646
Donations	25,000		25,000
Other income	4,453		4,453
Interest income	54		54
Satisfaction of restrictions	889,762	(889,762)	-
	<u>966,269</u>	<u>(89,116)</u>	<u>877,153</u>
EXPENSES:			
Program services:			
Economic development programs	679,508		679,508
Support services:			
General and administrative	106,065		106,065
	<u>785,573</u>		<u>785,573</u>
INCREASE (DECREASE) IN NET ASSETS	180,696	(89,116)	91,580
NET ASSETS, BEGINNING	<u>(103,485)</u>	<u>289,559</u>	<u>186,074</u>
NET ASSETS, END OF YEAR	<u>\$ 77,211</u>	<u>\$ 200,443</u>	<u>\$ 277,654</u>

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

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2022

	PROGRAM SERVICES	SUPPORT SERVICES	
	Economic Development Programs	General and Administrative	Total Expenses
Automobile Expenses	\$ 291	\$ -	\$ 291
Bank Charges	-	555	555
Depreciation Expense	16,171	-	16,171
Dues and Subscriptions	12,227	-	12,227
Event Registration Fees	2,200	-	2,200
Grant Expense	20,183	-	20,183
Insurance	27,321	16,153	43,474
Interest Expense	9,162	-	9,162
Lease	-	1,022	1,022
Marketing & Advertising	-	1,070	1,070
Meeting	8,940	-	8,940
Miscellaneous	-	440	440
Office Expenses	-	7,551	7,551
Payroll Taxes	13,539	3,058	16,597
Postage	113	-	113
Printing	1,312	-	1,312
Professional Development	-	390	390
Professional Fees	298,680	30,650	329,330
Salaries	199,981	45,174	245,156
Sponsorship	6,426	-	6,426
Telephone	2,265	-	2,265
Travel	24,212	-	24,212
Amortization of Prepaid Rent	36,487	-	36,487
TOTAL	\$ 679,508	\$ 106,065	\$ 785,573

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

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Statement of Cash Flows
For the Year Ended December 31, 2022

Cash flows from operating activities	
Increase (decrease) in net assets	\$ 91,580
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	16,171
Changes in assets and liabilities:	
(Increase) decrease in grants and contracts receivable	(115,853)
(Increase) decrease in prepaid expenses	4,373
Increase (decrease) in accounts payable	41,125
Increase (decrease) in deferred revenue	(4,373)
Increase (decrease) in other accrued liabilities	(143)
Net cash provided (used) by operating activities	<u>32,879</u>
Cash flows from investing activities	
Investments in capital assets	(8,253)
Investments in cooperative endeavor agreement	36,487
Net cash provided (used) in investing activities	<u>28,233</u>
Cash flows from financing activities	
Principal paid on line of credit, net of accrued interest	(50,836)
Net cash provided (used) in financing activities	<u>(50,836)</u>
Net increase (decrease) in cash and cash equivalents	<u>10,277</u>
Cash and cash equivalents	
Beginning of year	<u>33,915</u>
End of year	<u><u>\$ 44,192</u></u>

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

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

INTRODUCTION

The South Louisiana Economic Council, Inc. (the Council), a non-profit corporation, was organized on March 16, 1984, to encourage economic development in the four-parish area of Assumption, Lafourche, St. Mary, and Terrebonne. The purpose of the Council is to organize and charter for the purpose of furthering the economic development of the South Central Louisiana area and its environs, and promoting and assisting the growth and development of industry and business concerns, including small business concerns, in the area.

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader. The financial statements of the South Louisiana Economic Council, Inc. (a nonprofit organization) have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when awarded rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The corporation has no capital stock.

A. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

- 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 objectives of the organization. These net assets may be used at the discretion of the Council's management and the board of directors. The revenues received and expenses incurred in conducting the mission of the Council are included in this category. The Council has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Council, and therefore, the Council's policy is to record these net assets as without donor restrictions.
- 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 the Council or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

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 Statements of Activities.

B. USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

C. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Council considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents. There were no cash equivalents at year-end.

D. RECEIVABLES

The Council considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts. If uncollectible amounts are identified, necessary adjustments are made when information becomes available. These amounts are not considered to be material to the financial statements.

E. PROPERTY AND EQUIPMENT

Property and equipment purchased with an original cost of \$500 or more are reported at historical cost. Donations of property and equipment are recorded as support at their estimated fair value as of the date received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Equipment & furniture	3-7 years
Building improvements	10 years

F. REVENUE RECOGNITION

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of those restrictions. All donor-restricted support is reported as an increase in donor restricted net assets. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Grant revenue is recognized as it is earned in accordance with approved contracts.

G. DEFERRED REVENUES

Service fees collected in advance of the period in which the services relate are deferred and recognized as contract support over the related period of service.

H. ADVERTISING

Advertising costs are expensed when incurred.

I. INCOME TAX STATUS

South Louisiana Economic Council, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements. South Louisiana Economic Council, Inc. is no longer subject to U.S. Federal tax examination for years prior to the 2019 tax year.

J. NATURE OF ACTIVITIES

The Council was created to spur economic growth by encouraging and facilitating existing local industry to expand and to entice industry from out-of-state to locate in the region. The Council also acts as coordinator for various economic and workforce development activities and programs in the area. The Council is supported primarily through unrestricted grants from the local governments within

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

the four-parish areas it serves, grants from the state government of Louisiana and by unrestricted support received from local private industry.

K. ALLOCATION OF EXPENSES

The cost of providing various activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and activities benefited.

L. ACCUMULATED VACATION AND SICK LEAVE

Full-time employees completing one year of continuous service earn two weeks' vacation. Full-time employees completing ten years of continuous service earn three weeks' vacation. All full-time employees earn one day of sick leave per month employed. Sick leave may be accumulated and carried forward from year to year up to a maximum of 240 hours; however, it is not paid out upon termination. Vacation hours do not carryover to future years. Upon termination, only unused vacation time for the current year may be paid out. Therefore, a liability for vacation and sick leave is not accrued.

M. SUBSEQUENT EVENTS

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (July 27, 2023).

NOTE II CASH AND CASH EQUIVALENTS

At December 31, 2022, the Council has cash and cash equivalents (book balances) totaling \$44,192 of demand deposits. These deposits are stated at cost, which approximates market.

NOTE III CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned. The Council does not have a policy for credit risk. At December 31, 2022, the Council had \$73,201 in deposits (collected) bank balance. At December 31, 2022, all deposits were secured by the Federal Deposit Insurance Corporation (FDIC).

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

NOTE IV GRANT AND CONTRACT RECEIVABLES

The following grant and contract receivables were accrued at December 31, 2022:

Department of Economic Development (LED)	\$157,591
Lafourche Chamber of Commerce	<u>6,518</u>
Total	<u>\$164,109</u>

NOTE V PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2022, was as follows:

	<u>Balance at 12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 12/31/2022</u>
Capital assets being depreciated:				
Building improvements	\$ 63,082	\$ 0-	\$ -	\$ 63,082
Furniture and fixtures	<u>81,063</u>	<u>8,253</u>	<u>(6,332)</u>	<u>82,984</u>
Total capital assets, depreciated	<u>144,145</u>	<u>8,253</u>	<u>(6,332)</u>	<u>146,066</u>
Less: accumulated depreciation	<u>(57,442)</u>	<u>(16,171)</u>	<u>6,332</u>	<u>(67,281)</u>
Total capital assets, net of depr.	<u>\$ 86,704</u>	<u>\$ (7,917)</u>	<u>\$ -</u>	<u>\$ 78,786</u>

Depreciation expense for the year was \$16,171 and charged to program services.

NOTE VI INVESTMENT IN COOPERATIVE ENDEAVOR AGREEMENT

On August 29, 2011, South Louisiana Economic Council, Inc. entered into a cooperative endeavor agreement with Nicholls State University of Thibodaux, Louisiana for payments of the design, construction, renovation and improvements of the facility the Council occupies on the campus of Nicholls State University. This agreement is for a term of twenty years, beginning on September 15, 2011, and ending on September 14, 2031. Lease payments were waived until the annual lease payments equaled the sum of the investment. Occupancy began in 2013. The Council is required to make lease payments of \$3,041 per month or \$36,487 annually. The Council has incurred \$543,919 for the design and construction cost of the investment in the cooperative endeavor agreement, which exceeded the required minimum approved by Nicholls State University. The Council anticipates offsetting rental payments against its investment from the date of occupancy through 2028 thereafter monthly rental payments are required by the agreement. Additional investments made by the Council could result in amending the agreement to change the rental rate or length of time of the agreement.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

At December 31, 2022, the Council has a reported balance of \$200,336 of investment in cooperative endeavor agreement with Nicholls State University.

NOTE VII LINE OF CREDIT

The Council holds a line of credit payable to B1 Bank. The Council has negotiated a forbearance agreement on the remaining balance. The agreement states that seven principal payments in the amount of \$15,000 each, made quarterly, are to be paid between December 2021 and June 2023. Interest and fees will continue to accrue under the new payment terms. If all agreed upon payments are received on time, interest and remaining principal balance at June 30, 2023 will be forgiven. The line of credit has a variable interest rate. Interest expense recorded for the year was \$9,162. The balance of the line of credit at year end is \$151,089 .

NOTE VIII DEFERRED COMPENSATION PLAN

Employees of the Council have the option to participate in a deferred compensation program as defined by Internal Revenue Code Section 403(b) (tax sheltered annuities). The Council has the responsibility for withholding and remitting contributions from participants to the plan. There is no matching contribution requirement for the Council. An insurance company serves as administrator and has the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specifications and reporting annually to the participant and the Company on the status of the plan.

NOTE IX NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions consist of the following for the year ended December 31, 2022:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Investment in cooperative endeavor agreement	\$ 236,823	-	\$ (36,487)	\$ 200,336
Washington D.C. Mardi Gras	107	-	-	107
	<u>\$236,930</u>	<u>\$ -</u>	<u>\$(36,487)</u>	<u>\$ 200,443</u>

NOTE X SUPPORT AND REVENUE

The Council receives funding primarily through grants and contracts from state and local governments, not-for-profit corporations, sponsorships for economic development and training seminars and service fees.

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

Grants and contract revenues were recognized from the following sources during the year ended December 31, 2022:

State of Louisiana	
Department of Economic Development (LED)	\$ 740,646
Lafourche Parish	25,000
Greater Lafourche Port Commission	25,000
Other	<u>57,000</u>
Total	<u>\$ 847,646</u>

NOTE XI ECONOMIC DEPENDENCE

The Council receives majority of its funding from a small number of sources. If one would withdraw from funding the Council, the Council would not be able to sustain operations as it is presently structured.

NOTE XII RELATED PARTIES (COOPERATIVE AGREEMENT)

The Council entered into an agreement to provide administrative, secretarial, support, and payroll services, to the LA 1 Coalition, a not-for-profit entity whose mission is to improve the condition of Louisiana Highway 1 in lower Lafourche Parish to Port Fourchon, which is an issue management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries, related payroll taxes and benefits, and office supplies after each pay period. The Council also received \$10,000 as compensation for unreimbursed time and expenses during the year ending December 31, 2022.

The Council also entered into an agreement to provide administrative, secretarial, support, and payroll services, to Restore or Retreat, Incorporated, a not-for-profit entity whose mission is to seek to identify and expedite the implementation of aggressive, large-scale restoration projects to protect the Barataria and Terrebonne basins, which is an issue management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries, related payroll taxes and benefits, and office expenses. The Council also received \$10,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2022.

The Council also entered into an agreement to provide administrative, secretarial, support, and payroll services, to The Lafourche Chamber of Commerce a not-for-profit entity to strengthen the business climate and the quality of life of Lafourche Parish, Grand Isle, and the Bayou Region, which is an issue management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries and related payroll taxes after each pay period. At December 31, 2022, \$6,518 is due

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2022

from Lafourche Chamber of Commerce for payroll expenses. The Council also received \$1,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2022.

NOTE XIII LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

South Louisiana Economic Council, Inc. has \$208,301 of financial assets available within one year of the balance sheet date to meet the cash needs for general expenditures consisting of cash of \$44,192 and receivables of \$164,109. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The receivables are expected to be collected within one year. The Council has a goal to maintain financial assets, which consists of cash and receivables, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$130,000.

NOTE XIV LITIGATION AND CLAIMS

At December 31, 2022, South Louisiana Economic Council, Inc. had no litigation or claims pending.

Supplemental Information

**SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, Louisiana**

**Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer**

For the Year Ended December 31, 2022

Agency Head Name: Victor Lafont

Purpose	Amount
Salary	\$92,270
Benefits-insurance	4,886
Benefits-retirement	0
Benefits-other	0
Car allowance	8,488
Vehicle provided by government	0
Per diem	0
Reimbursements	8,133
Travel	6,377
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Miscellaneous	2,351
Housing	0
Unvouchered expenses*	0
Meals	1,743

This form is used to satisfy the reporting requirements of R.S. 24:513(A)(3) on Supplemental Reporting.

Special Reports of Certified Public Accountants



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

**Board of Directors
South Louisiana Economic Council, Inc.
Thibodaux, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of South Louisiana Economic Council, Inc. (the Council), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expense, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 27, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council'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 may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. See 2022-01 on page 16.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Thibodaux, Louisiana
July 27, 2023

Other Reports

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Thibodaux, Louisiana

Corrective Action Plan for Prior and Current Year Findings
For the Year Ended December 31, 2022

Prior Year Audit Findings:

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

There were no findings in the prior year.

Section II – Management Letter:

There was no management letter issued in the prior year.

Current Year Audit Findings:

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

Ref. No. 2022-01

Condition: Non-Compliance with Louisiana’s financial reporting laws R.S. 24:513 and 24:514

Criteria: Under Louisiana’s financial reporting laws (R.S. 24:513 and 24:514), SLEC is required to provide an annual financial report to the Louisiana Legislative Auditor’s Office no later than six months after its year end.

Cause: SLEC failed to comply with these laws, submitting this required report to the state approximately one month after the required deadline.

Effect: The annual financial report to the Louisiana Legislative Auditor’s Office was submitted late violating state audit laws.

Recommendations: We recommend that management review year end procedures and communicate, to all necessary personnel, that information is to be provided to the auditor in a timely manner.

Management’s response: SLEC’s management agrees with the finding. New accounting software has been utilized to create efficiencies in the year-end procedures and ensure timely delivery of information to the auditor.

Section II – Management Letter:

There was no management letter issued in the prior year.



South Louisiana Economic Council

Assumption • Lafourche • St. Mary • Terrebonne

**SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, LA**

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

**Louisiana Legislative Auditor's
Statewide Agreed-Upon Procedures**

Year Ended December 31, 2022



(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
South Louisiana Economic Council, Inc.
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 01, 2022 through December 31, 2022. The South Louisiana Economic Council's (SLEC's) management is responsible for those C/C areas identified in the SAUPs.

SLEC 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 the LLA's SAUPs for the fiscal period January 01, 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.
Not applicable to a nonprofit organization.
 - 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.
No exceptions.

- iii. **Disbursements**, including processing, reviewing, and approving.
No exceptions.
- 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).
No exceptions.
- 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.
No exceptions.
- 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.
No exceptions.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
No exceptions.
- 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).
No exceptions.
- 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.
Not applicable to a nonprofit organization.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable to a nonprofit organization.

- 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.

No exceptions.

- 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.

Not applicable to a nonprofit organization.

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.

No exceptions.

- 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.*

Not applicable to a nonprofit organization.

- 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.

Not applicable to a nonprofit organization.

- 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.

Not applicable, no prior year findings.

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);

No exceptions.

- 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

No exceptions.

- 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.

Not applicable.

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).

Obtained a list of deposit sites and management's representation that the list is complete.

- 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;

Not applicable as cash is not collected.

- 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;

Exception noted. The same person collects checks received by mail and prepares the deposit. There is not another person responsible for reconciling collection documentation.

- 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

Exception noted. The same person collects checks received by mail and posts entries to the general ledger. There is not another person responsible for reconciling ledger postings to each other and to the deposit.

- 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.

No exceptions.

- 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.

No exceptions.

- 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.

Not applicable as all collections are noncash and are checks received through the mail.

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

No exceptions.

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

No exceptions.

- 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).

No exceptions.

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

No exceptions.

5) *Non-Payroll Disbursements (excluding card purchases, 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).

Obtained a listing of locations that process payments and management's representation that the list is complete.

- 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;

No exceptions.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions.

- 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;

Exception noted. The person who is responsible for processing payments does have the ability to modify the vendor files. There is no regular, periodic review of the vendor file by another person.

- 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

Exception noted. The person responsible for signing checks gives the checks to a person who is also responsible for processing payments to mail.

- 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.

No exceptions.

- 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

No exceptions.

- 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.

No exceptions.

- 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.

Exception noted. While all five electronic disbursements selected for testing were approved by persons authorized to disburse funds, two of the five

disbursements did not include approvals by two authorized signors in accordance with SLEC's disbursement policy.

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

Obtained a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards and obtained management's representation that the list 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

No exceptions.

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

No exceptions.

- 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.

No exceptions.

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

Obtained a list of all travel and travel-related expense reimbursements and management's representation that the list is complete.

- 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);
No exceptions.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
No exceptions.
- 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
No exceptions.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.
No exceptions.

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

Obtained a listing of all agreements/contracts and management's representation that the list is complete.

- 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;
Not applicable.
- 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);
Not applicable.
- 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
No exceptions.
- 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.
No exceptions.

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.
Obtained a listing of employees and management's representation that the list is complete.
- 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);
No exceptions.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
No exceptions.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
No exceptions.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

No exceptions.

- 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.

Not applicable. There were no employees who received termination payments during the fiscal period.

- 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.

Obtained management's representation that employer and employee portions of third-party payroll related amounts, and associated forms have been filed, by required deadlines.

10) Ethics

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

This section is not applicable to a nonprofit organization.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and

observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section is not applicable to a nonprofit organization.

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.

Management has asserted that there have been no misappropriations of public funds or assets during the fiscal period.

- 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.

No exceptions.

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.

We performed the procedures and discussed the results with management.

- 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.

We performed the procedures and discussed the results with management.

- 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.

We performed the procedures and discussed the results with management.

- 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.

No exceptions.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

This section is not applicable to a nonprofit organization.

Managements Response: SLEC's Board agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions and compliance with all requirements.

We were engaged by the South Louisiana Economic Council, 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 the South Louisiana Economic Council, 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.



Thibodaux, Louisiana
July 27, 2023