

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Livingston Economic Development Council, Inc.
Livingston, Louisiana
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December 31, 2022 and 2021

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Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehrlich, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



Independent Auditor's Report

Mr. David Bennett, President & CEO
and Members of the Executive Committee
Livingston Economic Development Council, Inc.
Livingston, Louisiana

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Livingston Economic Development Council, Inc.'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 Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whenever 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 included 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 Livingston Economic Development Council, 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 over the Livingston Economic Development Council, 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

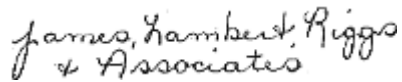
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information 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 22, 2023, on our consideration of the Livingston Economic Development Council, Inc.'s internal control over financial reporting and

Livingston Economic Development Council, Inc.
June 22, 2023

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 the Livingston Economic Development Council, 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 the Livingston Economic Development Council, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 22, 2023

Financial Statements

Livingston Economic Development Council, Inc.

Livingston, Louisiana

Statements of Financial Position

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 626,927	\$ 663,779
Certificate of Deposit	1,086,299	507,563
Prepaid Expenses	5,038	-
Accounts Receivable	<u>-</u>	<u>5,000</u>
Total Current Assets	1,718,264	1,176,342
Non-Current Assets:		
Promises to Give, Net of Allowance of \$0 in 2022 and \$0 in 2021	-	-
Property and Equipment, Net of Accumulated Depreciation of \$39,316 and \$37,649 in 2022 and 2021	<u>839,868</u>	<u>890,928</u>
Total Non-Current Assets	<u>839,868</u>	<u>890,928</u>
Total Assets	<u>\$ 2,558,132</u>	<u>\$ 2,067,270</u>
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ -	\$ -
Deferred Revenue	-	-
Accrued Expenses	<u>5,374</u>	<u>2,023</u>
Total Liabilities	<u>5,374</u>	<u>2,023</u>
Net Assets:		
With Donor Restrictions	-	-
Without Donor Restrictions	<u>2,552,758</u>	<u>2,065,247</u>
Total Net Assets	<u>2,552,758</u>	<u>2,065,247</u>
Total Liabilities and Net Assets	<u>\$ 2,558,132</u>	<u>\$ 2,067,270</u>

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Statements of Activities

For the Years Ended December 31, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:						
Hotel Occupancy Taxes	\$ 245,733	\$ -	\$ 245,733	\$ 192,743	\$ -	\$ 192,743
Livingston Tomorrow Pledges	145,850	-	145,850	144,000	-	144,000
Livingston Parish Investment	29,250	-	29,250	27,000	-	27,000
Membership Investments	33,325	-	33,325	39,672	-	39,672
Interest Earnings	2,349	-	2,349	2,174	-	2,174
Baton Rouge Area Chamber	13,333	-	13,333	13,333	-	13,333
Mortgage Finance Authority	27,500	-	27,500	30,000	-	30,000
Sale of Property	342,456	-	342,456	-	-	-
PPP Loan Forgiveness	-	-	-	60,684	-	60,684
Miscellaneous	7,400	-	7,400	5,497	-	5,497
Total Revenues and Other Support	847,196	-	847,196	515,103	-	515,103
Expenses:						
Program Services	289,756	-	289,756	269,598	-	269,598
Supporting Activities:						
Management and General	69,929	-	69,929	62,850	-	62,850
Fundraising	-	-	-	2,120	-	2,120
Total Expenses	359,685	-	359,685	334,568	-	334,568
Change in Net Assets	487,511	-	487,511	180,535	-	180,535
Net Assets - Beginning of the Year	2,065,247	-	2,065,247	1,884,712	-	1,884,712
Net Assets - End of the Year	\$ 2,552,758	\$ -	\$ 2,552,758	\$ 2,065,247	\$ -	\$ 2,065,247

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Statements of Functional Expenses
 For the Years Ended December 31, 2022 and 2021

	December 31, 2022				December 31, 2021			
	Program Services	Supporting Activities			Program Services	Supporting Activities		
		Mgmt. and General	Fundraising	Total		Mgmt. and General	Fundraising	Total
Advertising & promotion	\$ 37,300	\$ -	\$ -	\$ 37,300	\$ 40,053	\$ -	\$ -	\$ 40,053
Auto	-	912	-	912	-	1,399	-	1,399
Bad debt expense	-	-	-	-	-	-	2,120	2,120
Conferences & seminars	11,164	-	-	11,164	8,700	-	-	8,700
Depreciation	1,667	-	-	1,667	1,667	-	-	1,667
Donations	-	-	-	-	5,000	-	-	5,000
Dues & subscriptions	2,741	-	-	2,741	3,602	-	-	3,602
Insurance	-	8,719	-	8,719	-	4,472	-	4,472
Miscellaneous	439	2,487	-	2,926	176	997	-	1,173
Office	-	11,960	-	11,960	-	10,212	-	10,212
Postage & freight	-	235	-	235	-	258	-	258
Professional fees	9,019	19,330	-	28,349	1,263	20,245	-	21,508
Rent	-	-	-	-	-	-	-	-
Repairs & maintenance	12,925	-	-	12,925	1,400	-	-	1,400
Salaries & benefits	214,501	20,237	-	234,738	207,737	19,070	-	226,807
Telephone	-	6,049	-	6,049	-	6,197	-	6,197
	<u>\$ 289,756</u>	<u>\$ 69,929</u>	<u>\$ -</u>	<u>\$ 359,685</u>	<u>\$ 269,598</u>	<u>\$ 62,850</u>	<u>\$ 2,120</u>	<u>\$ 334,568</u>

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Statements of Cash Flows
 For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ 487,511	\$ 180,535
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,667	1,667
Interest earned on certificates of deposit	(1,924)	(1,958)
(Gain) / loss on sale of land	(342,456)	
(Increase) / decrease in accounts receivable	5,000	(2,500)
(Increase) / decrease in prepaid expenses	(5,038)	-
(Increase) / decrease in promises to give	-	-
Increase / (decrease) in deferred revenue	-	-
Increase / (decrease) in accrued expenses	3,351	228
Net cash provided by (used in) operating activities	148,111	177,972
Cash Flows from Investing Activities:		
Purchase of Certificates of Deposit	(576,813)	(50,000)
Proceeds from sale of land	391,850	-
Net cash provided by investing activities	(184,963)	(50,000)
Net Increase (Decrease) in Cash and Cash Equivalents	(36,852)	127,972
Cash and Cash Equivalents - Beginning of the Year	663,779	535,807
Cash and Cash Equivalents - End of the Year	\$ 626,927	\$ 663,779
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Noncash Investing Activities:		
Interest earned on and reinvested in certificates of deposit	\$ 1,924	\$ 1,958

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements
For the Years Ended December 31, 2022 and 2021

Introduction

The Livingston Economic Development Council, Inc. (“LEDC”) was formed in 1982 by business and elected leaders to promote and secure capital investment in Livingston Parish to increase the tax base and provide job opportunities in the Parish. LEDC is a private, not-for-profit organization located in Livingston, Louisiana. Currently, its activities include recruiting new or expanding business opportunities to the parish from outside sources, working with existing businesses and industries to encourage growth and expansion, and encouraging entrepreneurship and the formation of new businesses. LEDC’s major sources of revenue are hotel occupancy taxes from the State of Louisiana, grant income, and contributions from businesses and individuals.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

In accordance with generally accepted accounting principles, the accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

B. Basis of Presentation

Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of LEDC and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Revenues are reported as increases in net assets without restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions.

Net Assets With Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulated that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

C. Cash and Cash Equivalents

For reporting purposes, LEDC considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

D. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. As promises to give are determined to be uncollectible, they are charged against the allowance for doubtful accounts.

Livingston Economic Development Council, Inc.
Livingston, Louisiana

Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2022 and 2021

E. Allowance for Doubtful Accounts

Promises to give are stated net of an allowance for doubtful accounts. LEDC estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and changes in donor commitments. The allowance for doubtful accounts for promises to give was \$0 and \$0 at December 31, 2022 and 2021, respectively. It is the LEDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Bad debt expense for the years ended December 31, 2022 and 2021, was \$0 and \$2,120, respectively.

F. Property and Equipment

Property and equipment are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight-line method. Contributed property and equipment is recorded at fair value at the date of donation. LEDC capitalizes all assets that cost in excess of \$5,000 with a useful life exceeding one year. Routine repairs and maintenance are expensed as incurred.

G. Revenues and Support with Donor Restrictions and without Donor Restrictions

Contributions received are recorded as increases in net assets without donor restrictions or increases in net assets with donor restrictions, depending on the existence and / or nature of any donor restrictions.

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (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. Donor-restricted contributions whose restrictions are met in the same accounting period are reported as support and revenues without restrictions.

Fundraising and other revenues are recognized as earned.

H. Concentrations of Credit Risk

Cash on Deposit and Uninsured Balances:

LEDC maintains its cash balances and certificates of deposit at various financial institutions. As of December 31, 2022 and 2021, LEDC's cash balances and certificates of deposit not covered from loss by the FDIC totaled \$0 and \$0, respectively.

Source of Funding:

A significant amount of promises to give were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. LEDC's market is concentrated in Baton Rouge, Louisiana, metro area.

LEDC's primary operating budget is sustained through funds received from the Louisiana Department of the Treasury. Funds received from the state of Louisiana accounted for approximately 29.00% and 37.40% of total revenue, during 2022 and 2021, respectively.

Livingston Economic Development Council, Inc.

Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

I. Functional Expense Reporting

The cost of providing program and support services has been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses which are directly associated with economic development or support services are charged directly to that functional area. Rent and miscellaneous expenses have been allocated between program services and management & general based upon a standard historical percentage breakout.

J. Fair Value Measurements:

Fair value is the price LEDC would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. For those assets and liabilities recorded or disclosed at fair value, fair value is determined based upon the quoted market price, if available. If a quoted market price is not available for identical assets, fair value is determined based upon the quoted market price of similar assets or the present value of expected future cash flows considering the risks involved, including counterparty performance risk if appropriate, and using discount rates appropriate for the duration. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation:

Level 1: Inputs based upon quoted prices in active markets for identical assets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset (or liability), either directly or indirectly.

Level 3: Inputs are unobservable for the asset.

K. Compensated Absences

Compensated absences for personal time have not been accrued since they cannot be reasonably estimated. LEDC's policy is to recognize these costs when actually paid.

L. Advertising

Advertising costs are expensed as incurred. LEDC incurred \$35,118 and \$37,593 of advertising expenses during the years ended December 31, 2022 and 2021, respectively.

M. Income Taxes

LEDC is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to the LEDC's tax-exempt purpose is subject to taxation as unrelated business income.

Livingston Economic Development Council, Inc.
Livingston, Louisiana

Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2022 and 2021

LEDC has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in any entity's financial statements. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The adoption of this interpretation had no material impact on LEDC's financial statements at December 31, 2022.

LEDC's tax returns for the years ended December 31, 2021, December 31, 2020, and December 31, 2019, remain open and subject to examination by taxing authorities.

N. New Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). Under the provisions, all lessees will report a right-of-use asset and a liability for the obligation to make payments for all leases with the exception of those leases with a term of 12 months or less. All other leases will fall into one of two categories: 1) Financing leases, similar to capital leases, will require the recognition of an asset and liability, measured at the present value of the lease payments. Interest on the liability will be recognized separately from amortization of the asset and principal repayments will be classified as financing outflows and payments of interest as operating outflows on the statement of cash flows; 2) Operating leases will also require the recognition of an asset and liability measured at the present value of the lease payments. A single lease cost, consisting of interest on the obligation and amortization of the asset, calculated such that the amortization of the asset will increase as the interest amount decreases resulting in a straight-line recognition of lease expense. All cash outflows will be classified as operating on the statement of cash flows.

Lessor accounting remains substantially unchanged with the exception that no leases entered into after the effective date will be classified as leveraged leases. For sale-leaseback transactions, the sale will only be recognized if the criteria in the new revenue recognition standard are met. If there is no sale, the buyer-lessor does not recognize the transaction as a purchase and consideration paid for the asset is treated as a financing transaction.

LEDC adopted ASU 2016-02, *Leases* (Topic 842) for the year ended December 31, 2022. In accordance with FASB ASC 842-10-65-1(c)(2), LEDC has adopted the leasing standard retrospectively at the beginning of the period of adoption (January 1, 2022) through a cumulative-effect adjustment. Under this transition method, the application date shall be the beginning of the reporting period in which the entity first applies the standard.

O. Use of Estimates

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana

Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2022 and 2021

2. Cash

Cash and cash equivalents at December 31, 2022 and 2021, consisted of the following:

	Balance 12/31/22	Balance 12/31/21
Bank Operating Accounts	\$ 295,563	\$ 427,974
Savings Account	331,364	235,805
	\$ 626,927	\$ 663,779

3. Certificates of Deposit

LEDC invests in certificates of deposit held by financial institutions. The following is a schedule of the certificates of deposit at December 31, 2022 and 2021:

	Balance 12/31/22	Balance 12/31/21
Certificates of Deposit:		
First Guaranty Bank	\$ 150,660	\$ 150,209
Bank of Zachary	81,122	156,745
Bank Plus Bank	220,000	-
Cadence Bank	213,575	-
Neighbors FCU	220,333	-
Whitney Bank	200,609	200,609
Total Certificates of Deposit	\$ 1,086,299	\$ 507,563

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2022 and 2021, is as follows:

	2022	2021
Land	\$ 818,205	\$ 867,599
Equipment and Other	60,979	60,978
	879,184	928,577
Less: Accumulated Depreciation	(39,316)	(37,649)
Total	\$ 839,868	\$ 890,928

For the years ended December 31, 2022 and 2021, depreciation expense was \$1,667 and \$1,667, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana

Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2022 and 2021

5. Fair Value Measurements

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis as of December 31, 2022:

	Quoted Prices in Active Markets for Identical Asset or Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Financial Assets:				
Cash & Cash Equivalents	\$ 626,927	\$ -	\$ -	\$ 626,927
Investment Securities	1,086,299	-	-	1,086,299

6. Pension Plan

LEDC has a Simple Retirement Plan in accordance with Internal Revenue Code Section 408(p). The plan allows LEDC to fund the IRA up to 3% of all full-time employees' gross salary. LEDC's expense for the IRA was \$5,058 and \$4,893 for the years ended December 31, 2022 and 2021, respectively.

7. Net Assets with Donor Restrictions

LEDC's net assets with donor restrictions at December 31, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
None	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ -</u>

8. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by satisfaction of the restricted purposes during the years ended December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
None	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Livingston Economic Development Council, Inc.

Livingston, Louisiana

Notes to the Financial Statements (Continued)

For the Years Ended December 31, 2022 and 2021

9. Liquidity and Availability of Financial Assets

The following reflects LEDC's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year.

	<u>2022</u>	<u>2021</u>
Financial Assets, at Year-End		
Cash and Cash Equivalents	\$ 626,927	\$ 663,779
Certificate of Deposit	1,086,299	507,563
Accounts Receivable	<u>-</u>	<u>5,000</u>
Financial Assets Available to Meet Cash Needs for General Expenses Within One Year	<u>\$ 1,713,226</u>	<u>\$ 1,176,342</u>

10. Date of Management's Review

Subsequent events have been evaluated through June 22, 2023, which is the date the financial statements were available to be issued. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Other Supplemental Information:

**Schedule of Compensation, Benefits, and Other Payments to
Agency Head**

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

Agency Head: David Bennett, President

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 150,000
Benefits - Insurance	12,000
Benefits - Retirement	5,058
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	6,600
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	360
Dues	-
Per Diem	-
Reimbursements	182
Travel	90
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 174,290</u>

See auditor's report.

**Other Independent Auditor's Reports and
Findings, Recommendations, and Responses**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
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B. Jacob Steib, CPA



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LAMBERT RIGGS
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Mr. David Bennett, President & CEO
and Members of the Executive Committee
Livingston Economic Development Council, Inc.
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Livingston Economic Development Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 22, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Economic Development Council, 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 the Livingston Economic Development Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Livingston Economic Development Council, 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 the 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 weakness. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

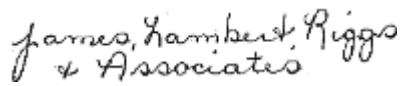
As part of obtaining reasonable assurance about whether the Livingston Economic Development Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect

Livingston Economic Development Council, Inc.
June 22, 2023

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.

Handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 22, 2023

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Schedule of Current Year Findings, Recommendations, and Responses
 For the Year Ended December 31, 2022

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 the Livingston Economic Development Council, Inc. as of and for the year ended December 31, 2022, and the related notes to the financial statements, which comprise the Livingston Economic Development Council, Inc.'s financial statements, and have issued our report thereon dated June 22, 2023. Our audit of the financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weakness	___	Yes	___		<u>X</u>	No
Significant Deficiencies	___	Yes	___		<u>X</u>	No

Compliance:

Compliance Material to the Financial Statements	___	Yes	___		<u>X</u>	No
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2. Management Letter

Was a management letter issued?	___	Yes	___		<u>X</u>	No
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Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Prior Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2022

<u>Ref. #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Note: This schedule was prepared by management of the Livingston Economic Development Council, Inc.