



**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, 2021**



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

**Independent Accountant’s Audit Report on Financial Statements**  
**As of and for the year ended December 31, 2021**

**T A B L E O F C O N T E N T S**

		<b>Page No.</b>
<b>Independent Accountant’s Audit Report .....</b>		ii
	<b>Statement</b>	
<b>Financial Section</b>		
Statement of Financial Position .....	A	1
Statement of Activities .....	B	2
Statement of Functional Expenses.....	C	3
Statement of Cash Flows .....	D	4
Notes to the Financial Statements .....		5-12
	<b>Schedule</b>	
<b>Supplementary Information</b>		
Schedule of Compensation, Benefits, and Other Payments To Agency Head or Chief Executive Officer .....	1	13
<b>Special Reports of Certified Public Accountants</b>		
Independent Auditors’ Report on internal control over Financial reporting and on compliance and other matters Based on an audit of financial statements performed in Accordance with <i>Governmental Auditing Standards</i> .....		14-15
<b>Other Reports</b>		
Summary Schedule of Prior and Current Year Findings .....		16



## 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, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **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.

### **Correction of Error**

As discussed in Note 2 to the financial statements, certain errors resulting in the understatement of amounts previously reported for capital assets and overstatement of expenses as of December 31, 2020, were discovered by management of the Council during the current year. Accordingly, beginning balances for capital assets and net assets without donor restrictions have been restated to correct the error. Our opinion is not modified with respect to that matter.

### **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.

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 30, 2022, 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

June 30, 2022

# **Financial Section**

**SOUTH LOUISIANA ECONOMIC COUNCIL INC.**  
**Statement of Financial Position**  
**December 31, 2021**

**ASSETS**

## CURRENT ASSETS:

Cash and cash equivalents	\$ 33,915
Grant and contracts receivable	48,256
Prepaid expenses	4,373
Investment in cooperative endeavor agreement	36,487
<b>TOTAL CURRENT ASSETS</b>	<u>123,031</u>

## PROPERTY AND EQUIPMENT:

Furniture & equipment	81,063
Building improvements	63,082
Accumulated depreciation	<u>(57,442)</u>
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<u>86,703</u>

## OTHER ASSETS:

Investment in cooperative endeavor agreement	<u>200,336</u>
<b>TOTAL OTHER ASSETS</b>	<u>200,336</u>

<b>TOTAL ASSETS</b>	<u><u>\$ 410,070</u></u>
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**LIABILITIES AND NET ASSETS**

## CURRENT LIABILITIES:

Accounts payable	\$ 17,497
Other current liabilities	200
Deferred revenue	<u>4,373</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>22,069</u>

## LONG TERM LIABILITIES:

Line of credit payable	<u>\$ 201,927</u>
<b>TOTAL LONG TERM LIABILITIES</b>	<u>201,927</u>

## NET ASSETS:

Net assets without donor restrictions (deficit)	(103,485)
Net assets with donor restrictions	<u>289,559</u>
<b>TOTAL NET ASSETS</b>	<u>186,074</u>

<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u><u>\$ 410,070</u></u>
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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, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND OTHER SUPPORT:</b>			
Governmental grants and local industry contracts	\$ -	\$ 597,612	\$ 597,612
Interest income	25		25
Other income	525		525
PPP loan forgiveness		33,012	33,012
Satisfaction of restrictions	<u>735,307</u>	<u>(735,307)</u>	<u>-</u>
Total revenue and other support	735,857	(104,683)	631,174
<b>EXPENSES:</b>			
Program services:			
Economic development programs	491,630		491,630
Support services:			
General and administrative	<u>92,515</u>		<u>92,515</u>
Total expenses	<u>584,145</u>		<u>584,145</u>
INCREASE (DECREASE) IN NET ASSETS	151,712	(104,683)	47,029
NET ASSETS, BEGINNING (RESTATED, NOTE II)	<u>(255,197)</u>	<u>394,242</u>	<u>139,045</u>
NET ASSETS, END OF YEAR	<u>\$ (103,485)</u>	<u>\$ 289,559</u>	<u>\$ 186,074</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, 2021**

	<u>PROGRAM SERVICES</u>	<u>SUPPORT SERVICES</u>	
	Economic Development Programs	General and Administrative	Total Expenses
Automobile expenses	\$ 174	\$ -	\$ 174
Bank Charges	-	722	722
Depreciation Expense	12,405	-	12,405
Dues and subscriptions	9,330	-	9,330
Grant Expense	26,875	-	26,875
Insurance	25,667	12,701	38,368
Interest Expense	13,506	-	13,506
Lease	-	916	916
Meeting	3,278	-	3,278
Miscellaneous	-	260	260
Office Expenses	-	2,103	2,103
Payroll Taxes	13,107	2,059	15,166
Postage	139	-	139
Printing	578	-	578
Professional Fees	139,656	21,488	161,144
Salaries	174,536	52,266	226,802
Sponsorship	8,788	-	8,788
Telephone	2,861	-	2,861
Travel	24,243	-	24,243
Amortization of prepaid rent	36,487	-	36,487
<b>TOTAL</b>	<b>\$ 491,630</b>	<b>\$ 92,515</b>	<b>\$ 584,145</b>

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, 2021**

<b>Cash flows from operating activities</b>	
Increase (decrease) in net assets	\$ 47,029
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	12,405
Changes in assets and liabilities:	
(Increase) decrease in grants and contracts receivable	72,569
(Increase) decrease in prepaid expenses	(4,373)
Increase (decrease) in accounts payable	(10,947)
Increase (decrease) in deferred revenue	(4,373)
Increase (decrease) in other accrued liabilities	<u>(6,643)</u>
Net cash provided (used) by operating activities	105,668
<b>Cash flows from investing activities</b>	
Investments in capital assets	(26,209)
PPP loan forgiveness	(91,008)
Investments in cooperative endeavor agreement	<u>36,487</u>
Net cash provided (used) in investing activities	(80,730)
<b>Cash flows from financing activities</b>	
Interest accrued on line of credit	\$ 8,746
Principal paid on line of credit, net of accrued interest and fees	<u>(255)</u>
Net cash provided (used) in financing activities	<u>8,491</u>
Net increase (decrease) in cash and cash equivalents	<u>33,429</u>
Cash and cash equivalents	
Beginning of year	<u>486</u>
End of year	<u><u>33,915</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, 2021

## **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.

Donor restricted contributions are reported as increases in net assets with donor

# **SOUTH LOUISIANA ECONOMIC COUNCIL, INC.**

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

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.

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

# **SOUTH LOUISIANA ECONOMIC COUNCIL, INC.**

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

## **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, except for direct-response advertising. The cost of direct-response advertising are capitalized and amortized over the period which future benefits are expected to be received. There were no direct-response advertising costs incurred during the year.

## **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 2018 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 the four-parish areas it serves, grants from the state government of Louisiana and by unrestricted support received from local private industry.

## **K. ACCUMULATED VACATION AND SICK LEAVE**

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.

# **SOUTH LOUISIANA ECONOMIC COUNCIL, INC.**

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

Vacation hours do not carryover to future years. Sick leave does carryover; however, any accumulated sick leave is not payable to employees upon termination. Therefore, vacation and sick leave is not accrued.

## **L. SUBSEQUENT EVENTS**

Subsequent to year-end, the Council has been affected by the worldwide coronavirus pandemic which has impacted the local economy. As of the date of the issuance of these financial statements, the full impact to the Council's financial position is unknown.

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 30, 2022).

## **NOTE II RESTATEMENT OF BEGINNING NET ASSETS**

A prior period adjustment was made to include construction in progress at December 31, 2020 which was expensed in the 2020 financial statements. An adjustment was made to increase (credit) Net Assets by \$39,550 and increase (debit) building improvements by \$39,550.

## **NOTE III CASH AND CASH EQUIVALENTS**

At December 31, 2021, the Council has cash and cash equivalents (book balances) totaling \$33,915 of demand deposits. These deposits are stated at cost, which approximates market.

## **NOTE IV 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, 2021, the Council had \$90,103 in deposits (collected) bank balance. At December 31, 2021, all deposits were secured by the Federal Deposit Insurance Corporation (FDIC).

## **NOTE V GRANT AND CONTRACT RECEIVABLES**

The following grant and contract receivables were accrued at December 31, 2021:

Department of Economic Development (LED)	\$42,133
Lafourche Chamber of Commerce	<u>6,123</u>
Total	<u>\$ 48,256</u>

# SOUTH LOUISIANA ECONOMIC COUNCIL, INC.

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

## NOTE VI PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance at 12/31/2020	Additions	Deletions	Balance at 12/31/2021
Capital assets being depreciated:				
Building improvements	\$ 18,112	\$ 44,970	\$ -	\$ 63,082
Furniture and fixtures	131,154	20,789	(70,881)	81,062
Total capital assets being depreciated	149,266	65,759	(70,881)	144,144
Less: accumulated depreciation	(115,917)	(12,405)	70,881	(57,441)
Total capital assets, net	<u>\$ 33,349</u>	<u>\$ 53,354</u>	<u>\$ -</u>	<u>\$ 86,703</u>

Depreciation expense for the year was \$12,405.

## NOTE VII 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.

At December 31, 2021, the Council has a reported balance of \$200,336 of investment in cooperative endeavor agreement with Nicholls State University.

## NOTE VIII LINE OF CREDIT

The Council holds a line of credit payable to B1 Bank. During the year, the Council negotiated a forbearance agreement on the remaining balance. Principal payments will be made quarterly. 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 which was 5.25% during the fiscal year. Interest expense recorded for the year was \$13,506. The balance of the line of credit at year end is \$ 201,927.

# **SOUTH LOUISIANA ECONOMIC COUNCIL, INC.**

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

## **NOTE IX 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 X NET ASSETS WITH DONOR RESTRICTIONS**

Changes to net assets with donor restrictions consist of the following for the year ended December 31, 2021:

	<u>Beginning</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending</u>
Investment in cooperative endeavor agreement	\$ 273,310	-	\$ (36,487)	\$ 236,823
Washington D.C. Mardi Gras	107	-	-	107
Prepaid expenses	-	4,373	-	4,373
Grant and contracts receivable	<u>120,825</u>	<u>48,256</u>	<u>(120,825)</u>	<u>48,256</u>
	<u>\$394,242</u>	<u>\$ 52,629</u>	<u>\$(157,312)</u>	<u>\$ 289,559</u>

Additions to net assets with donor restrictions are government grants and donations restricted to specified purposes or time sensitive use of the asset.

## **NOTE XI 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, 2021

Grants and contract revenues were recognized from the following sources during the year ended December 31, 2021:

State of Louisiana	
Department of Economic Development (LED)	\$ 324,732
St. Mary Parish	25,000
Lafourche Parish	35,000
Greater Lafourche Port Commission	42,500
Other	<u>143,504</u>
Total	<u>\$ 570,737</u>

## **NOTE XII 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 XIII 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, 2021.

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, 2021.

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, 2021, \$6,123 is due from Lafourche Chamber of Commerce for payroll expenses. The Council also received \$1,000 as

## **SOUTH LOUISIANA ECONOMIC COUNCIL, INC.**

Thibodaux, Louisiana

Notes to the Financial Statements

For the Year Ended December 31, 2021

compensation for unreimbursed time and expenses during the year ended December 31, 2021.

During the year ending December 31, 2010, the Council entered into an agreement to provide administrative, secretarial, and support services to the Gulf Economic Survival Team, Incorporated (GEST), a not-for-profit entity whose mission is an organization that promotes the significance of Gulf of Mexico energy production to the U.S. economy, which is an issue management believes is related to the economic success and viability of the region.

### **NOTE XIV LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

South Louisiana Economic Council, Inc. has \$86,544 of financial assets available within one year of the balance sheet date to meet the cash needs for general expenditures consisting of cash of \$33,915, receivables of \$48,256, and prepaid expenses of \$4,373. 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 \$98,000.

### **NOTE XV LITIGATION AND CLAIMS**

At December 31, 2021, 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, 2021**

**Agency Head Name: Victor Lafont**

<b>Purpose</b>	<b>Amount</b>
Salary	\$92,270
Benefits-insurance	6,459
Benefits-retirement	0
Benefits-other	0
Car allowance	12,227
Vehicle provided by government	0
Per diem	0
Reimbursements	1,258
Travel	3,260
Registration fees	705
Conference travel	0
Continuing professional education fees	0
Miscellaneous	3,751
Housing	0
Unvouchered expenses*	0
Meals	3,159

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, 2021, 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 June 30, 2022.

**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 no instance 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 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  
June 30, 2022

## **Other Reports**

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

**Corrective Action Plan for Prior and Current Year Findings  
For the Year Ended December 31, 2021**

**Prior Year Findings**

**2020-01 NON-COMPLIANCE WITH LOAN AGREEMENTS**

*Condition:* In September 2020 and through year end, the South Louisiana Economic Council, Inc. (SLEC) failed to pay required payments on their loan with B1 bank causing noncompliance with loan agreements.

*Criteria:* In 2013, SLEC entered into a loan agreement with B1 bank for repayment of \$420,000.

*Cause:* Between September 2020 and December 2020, SLEC failed to meet its loan payment requirements, causing a delinquent balance of \$16,799 at year end.

*Effect:* SLEC was in non-compliance with the loan agreements.

*Corrective Action Taken:* In late 2021, the Council came to an agreement with the bank to renegotiate the terms of the loan. By year end, the Council was in full compliance of the new terms of the loan agreement.

**Current Year Findings**

There were no findings required to be reported. No management letter was issued.



**South Louisiana Economic Council**

Assumption • Lafourche • St. Mary • Terrebonne

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

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

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

**Year Ended December 31, 2021**



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## 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 1, 2021 through December 31, 2021. 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 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget  
  
Exception noted. SLEC has no written policy over this area.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- c) Exception noted. SLEC has adopted a written policy over purchasing which includes (1) how purchases are initiated and (3) the preparation and approval process of purchase requisitions. However, the policy excludes (2) how vendors are to be added to the vendor list, (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

- d) **Disbursements**, including processing, reviewing, and approving

Exception noted. SLEC has no written policy over this area.

- e) **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).

Exception noted. SLEC has no written policy over this area.

- f) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Exception noted. SLEC has no written policy over this area.

- g) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Exception noted. SLEC has adopted a written policy over contracting which indicates who is authorized to approve contracts. However, the policy excludes (1) the types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, and (5) monitoring.

- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)

Exception noted. SLEC has no written policy over this area.

- i) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

No exceptions noted.

- j) **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.

- k) **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.

- l) **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.

Exception noted. SLEC has no written policy over this area.

- m) **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.

### **Board or Finance Committee**

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- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions noted. The board met on a frequency in accordance with the board's bylaws. All meetings maintained a quorum.

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Not applicable to a nonprofit organization.

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable to a nonprofit organization.

### **Bank Reconciliations**

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

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

No exceptions. The bank reconciliations selected included an electronic date providing evidence that the reconciliations were performed within 2 months of the related statement closing date.

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

Exception noted. The bank reconciliations selected did not include the signature of a reviewer.

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

No exceptions. There were no items outstanding for more than 12 months of the statement closing date.

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

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

Obtained a list of deposit sites from management and management provided representation that the listing is complete.

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

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

Not applicable. SLEC does not utilize the use of cash drawers or registers; therefore, employees do not share cash drawers or registers.

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

Exception noted. The employee responsible for collecting cash is also responsible for preparing or making bank deposits.

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

Exception noted. The employee responsible for collecting cash is also responsible for posting collections entries to the general ledger.

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

No exception noted. The employee responsible for reconciling cash collections to the general ledger is also responsible for collecting cash; however, the Treasurer, who is not responsible for collecting cash, does perform a review of the bank reconciliation each month. However, there is no written record of this review.

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

No exceptions. Observed the insurance policy for theft which was enforced during the fiscal period.

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

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

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

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

No exceptions. Traced supporting documentation to the deposit slip.

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

No exceptions. Traced the deposit slip totals to the actual deposit per bank statement.

- d) Observe 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 noted. Deposits were made within one business day of receipt.

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

No exceptions noted. The actual deposit per the bank statement agreed to the general ledger.

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

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

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the list is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted. At least two persons are involved in these procedures.

- b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted. At least two persons are involved in these procedures.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

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

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

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

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

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions. Selected disbursements matched the related original invoice.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions. Selected disbursements included evidence of segregation of duties.

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

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- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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 from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and the names of the persons who maintained possession of the cards, and management provided representation that the listing is complete.

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

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Exception noted. There was no written evidence that the credit card statement selected had been reviewed or approved by someone other than the authorized card holder.

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

No exceptions noted. Observed that there were no finance charges or late fees assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

No exceptions noted. Statements contained all required documentation above.

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

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

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

Exception noted. Reimbursements were not reviewed nor approved, in writing, by someone other than the person receiving the reimbursement.

### ***Contracts***

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

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

Not applicable. All contracts were for professional services.

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

No exceptions noted. All contracts were approved by authorized personnel per SLEC policy.

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

Not applicable. No changes or amendments.

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

No exceptions noted. Invoices agreed to contract terms.

### ***Payroll and Personnel***

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16. 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 officials employed during the fiscal period, and management provided representation that the listing is complete.

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

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

No exceptions. Daily attendance and leave were properly documented.

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

Exception noted. There was no evidence that a supervisor approved the attendance and leave of employees.

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

Not applicable. No leave was accrued nor taken during the pay period selected.

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

Exceptions noted. Personnel files did not include documentation of authorized pay rates/salaries.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable. There were no employee terminations during the fiscal period for which termination payments were required.

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

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

### ***Ethics***

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- a. Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable to a nonprofit organization.

### ***Debt Service***

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21. 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.

22. 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).

Not applicable to a nonprofit organization.

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the Department attorney of the parish in which the entity is domiciled.

Management has asserted that the Department did not have any misappropriations of public funds or assets during the reporting period.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions noted. Fraud posters were not posted on its premises nor on the website.

### ***Information Technology Disaster Recovery/Business Continuity***

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

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

We performed the procedure and discussed the results with management.

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and

observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

### ***Sexual Harassment***

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- 26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
- 27. Observe 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).
- 28. 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 it includes the applicable requirements of R.S. 42:344:
  - a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

Not applicable to a nonprofit organization.

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**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.

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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  
June 30, 2022