

**Central Louisiana Economic Development Alliance
DBA Louisiana Central**

Alexandria, Louisiana

Financial Statements

December 31, 2022

Table of Contents

| | |
|---|----|
| Independent Auditors' Report..... | 1 |
| Basic Financial Statements | |
| Statement of Financial Position | 4 |
| Statement of Activities..... | 5 |
| Statement of Cash Flows | 6 |
| Statement of Functional Expenses | 7 |
| Notes to Financial Statements..... | 8 |
| Supplementary Schedule..... | 15 |
| Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer | 16 |
| Reports on Internal Control, Compliance and Other Matters | 17 |
| 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>Government Auditing Standards</i> | 18 |
| Schedule of Findings..... | 20 |
| Management's Corrective Action Plan..... | 22 |
| Summary of Prior Year Audit Findings..... | 23 |



Independent Auditors' Report

Board of Directors
Central Louisiana Economic Development Alliance, Inc.
DBA Louisiana Central
Alexandria, Louisiana

Report on the Financial Statement

Opinion

We have audited the accompanying financial statements of Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central (Louisiana Central) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows and functional expenses for the year 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 Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central 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 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 Central Louisiana Economic

Development Alliance, Inc., DBA Louisiana Central's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central'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 Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central'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 executive director, 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.

Report on Summarized Comparative Information

We have previously audited Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2023, on our consideration of Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central'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 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 Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central's internal control over financial reporting and compliance.



KnightMasden
Alexandria, Louisiana
October 3, 2023



Central Louisiana Economic Development Alliance
 DBA Louisiana Central
 Statement of Financial Position
 December 31

| | <u>2022</u> | 2021 Summarized <u>Total</u> |
|------------------------------------|---------------------|------------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 7,023 | \$ 234,412 |
| Grants receivable | 853,283 | 286,633 |
| Prepaid expenses | <u>19,050</u> | <u>4,311</u> |
| Total Current Assets | 879,356 | 525,356 |
| Plant, Property and Equipment, net | <u>584,326</u> | <u>574,213</u> |
| Total Assets | <u>\$ 1,463,682</u> | <u>\$ 1,099,569</u> |
| Liabilities and Net Assets | | |
| Current Liabilities | | |
| Accounts payable | \$ 80,994 | \$ 28,787 |
| Payroll liabilities | 8,177 | 7,843 |
| Notes payable | <u>73,316</u> | <u>-</u> |
| Total Current Liabilities | 162,487 | 36,630 |
| Long Term Liabilities | <u>17,139</u> | <u>-</u> |
| Total Liabilities | 179,626 | 36,630 |
| Net Assets | | |
| without Donor Restrictions | <u>1,284,056</u> | <u>1,062,939</u> |
| Total Net Assets | <u>1,284,056</u> | <u>1,062,939</u> |
| Total Liabilities and Net Assets | <u>\$ 1,463,682</u> | <u>\$ 1,099,569</u> |

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

Central Louisiana Economic Development Alliance
 DBA Louisiana Central
 Statement of Activities
 For the Year Ended December 31

| | <u>2022</u> | | <u>2021</u> |
|---------------------------------------|---|---------------------|----------------------------|
| | without Donor <u>Restrictions</u> | <u>Total</u> | Summarized <u>Total</u> |
| Revenues | | | |
| Contributions, gifts and grants | \$ 1,894,352 | \$ 1,894,352 | \$ 1,580,314 |
| Program service | 9,293 | 9,293 | 7,475 |
| Investment income | 1,286 | 1,286 | 15 |
| Other income | <u>270,134</u> | <u>270,134</u> | <u>109,269</u> |
| Total Revenues | 2,175,065 | 2,175,065 | 1,697,073 |
| Net Assets released from restrictions | - | - | - |
| Functional Expenses | | | |
| Program services | 1,479,010 | 1,479,010 | 1,177,009 |
| Management and general | <u>474,938</u> | <u>474,938</u> | <u>526,967</u> |
| Total Functional Expenses | 1,953,948 | 1,953,948 | 1,703,976 |
| Change in Net Assets | 221,117 | 221,117 | (6,903) |
| Net Assets - Beginning | <u>1,062,939</u> | <u>1,062,939</u> | <u>1,069,842</u> |
| Net Assets - Ending | <u>\$ 1,284,056</u> | <u>\$ 1,284,056</u> | <u>\$ 1,062,939</u> |

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

Central Louisiana Economic Development Alliance
 DBA Louisiana Central
 Statement of Cash Flows
 For the Year Ended December 31

| | <u>2022</u> | 2021 Summarized <u>Total</u> |
|--|------------------|------------------------------------|
| Cash Flows from Operating Activities | | |
| Change in Net Assets | \$ 221,117 | \$ (6,903) |
| Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities | | |
| Depreciation | 27,573 | 25,935 |
| (Increase) decrease in receivables | (566,649) | 175,635 |
| (Increase) decrease in prepaid expenses | (14,739) | 798 |
| Increase (decrease) in accounts payable | 52,207 | (14,810) |
| Increase (decrease) in other liabilities | 334 | 3,041 |
| Net Cash Provided/(Used) by Operating activities | <u>(280,157)</u> | <u>183,696</u> |
| Cash flows from Investing Activities | | |
| Purchase of fixed assets | <u>(37,686)</u> | <u>(7,524)</u> |
| Net Cash Provided/(Used) by Investing Activities | <u>(37,686)</u> | <u>(7,524)</u> |
| Cash flows from Financing Activities | | |
| Draw on debt | 91,086 | - |
| Repayment of debt | <u>(632)</u> | <u>-</u> |
| Net Cash Provided/(Used) by Financing Activities | <u>90,454</u> | <u>-</u> |
| Net Increase (Decrease) in Cash and Cash equivalents | (227,389) | 176,172 |
| Cash and Cash Equivalents - Beginning | <u>234,412</u> | <u>58,240</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 7,023</u> | <u>\$ 234,412</u> |
| Cash paid for interest | <u>\$ 542</u> | <u>\$ -</u> |

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

Central Louisiana Economic Development Alliance
 DBA Louisiana Central
 Statement of Functional Expenses
 For the Year Ended December 31

| | <u>Program</u> <u>Services</u> | <u>Management</u> <u>and General</u> | 2022 <u>Total</u> <u>Expenses</u> | 2021 <u>Summarized</u> <u>Total</u> |
|-------------------------|-----------------------------------|---|---|---|
| Training and meetings | \$ 120,418 | \$ 4,178 | \$ 124,596 | \$ 53,196 |
| Supplies | 21,953 | 190 | 22,143 | 5,056 |
| Contract labor | 23,573 | - | 23,573 | 4,518 |
| Insurance | 2,186 | 7,549 | 9,735 | 11,044 |
| Interest | 337 | 205 | 542 | - |
| Repairs and maintenance | - | 9,533 | 9,533 | 1,500 |
| Rent | 10,800 | - | 10,800 | 11,550 |
| Depreciation | 14,830 | 12,743 | 27,573 | 25,935 |
| Payroll expenses | 628,988 | 281,709 | 910,697 | 851,428 |
| Advertising | 119,559 | 7,598 | 127,157 | 116,481 |
| Dues and subscriptions | 14,990 | 10,449 | 25,439 | 21,947 |
| Public relations | 2,000 | 3,800 | 5,800 | 3,900 |
| Other program expense | 205,986 | - | 205,986 | 156,379 |
| Other expense | - | 8,333 | 8,333 | 4,104 |
| Telephone | 793 | 25,891 | 26,684 | 27,587 |
| Travel | 31,013 | 3,197 | 34,210 | 20,695 |
| Utilities | 1,251 | 8,407 | 9,658 | 6,781 |
| Legal and professional | 263,250 | 58,912 | 322,162 | 276,561 |
| Office expense | 17,083 | 32,244 | 49,327 | 105,314 |
| | <u>\$ 1,479,010</u> | <u>\$ 474,938</u> | <u>\$ 1,953,948</u> | <u>\$ 1,703,976</u> |

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

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Nature of Activities and Significant Accounting Policies

Nature of Activities

The Central Louisiana Economic Development Alliance, Inc. DBA Louisiana Central (Louisiana Central) was incorporated in 1974 as a nonprofit corporation, on a non-stock basis, under the provisions of Louisiana Revised Statutes. On May 1, 2011, Louisiana Central merged with and into Cenla Advantage Partnership (CAP). CAP, the surviving corporation, officially changed its name to Central Louisiana Economic Development Alliance (Louisiana Central). They adopted a DBA of Louisiana Central. Louisiana Central continues to exist as a domestic nonprofit organization under the laws of Louisiana. Louisiana Central is an organization which consists of the economic development entities from the parishes of Allen, Avoyelles, Catahoula, Concordia, Grant, LaSalle, Natchitoches, Rapides, Vernon, and Winn. The mission of Louisiana Central is to advance the knowledge and understanding of economics and to develop acceleration of both the quality and quantity of economic growth and employment opportunities. Louisiana Central receives funding from federal and state economic development grants and contributions from area businesses and philanthropic organizations to conduct its activities.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with the generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of Louisiana Central and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets without donor restrictions generally result from revenues generated by receiving contributions that have no donor-imposed restrictions, and from receiving interest from operating investments, less expenses, incurred in providing program services, raising contributions, and performing administrative functions. Net assets without donor restrictions are available for use at the discretion of Louisiana Central’s Board and management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which makes them unavailable for use at management’s discretion.

Net Assets with Donor Restrictions – Net assets with donor restrictions result from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, either temporarily or permanently. Until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished, the net assets are restricted. Louisiana Central reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting Louisiana Central to expand the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a Board approved spending policy. Louisiana Central does not have any net assets with donor restrictions.

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates have been applied in the determination of donated food values and depreciation in preparation of the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with original maturities of less than three months.

Recognition of Donor Restricted Contributions

Louisiana Central reports support that is restricted by donor as an increase in net assets without donor restrictions if the restriction expires in the same reporting period in which the support is recognized. All the other donor-restricted support is reported as an increase in net assets with donor restrictions. When a donor 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.

Contributions and Grants Receivable

Contributions and grants receivable which represent unconditional promises to give are recognized as support when the promise is received. Contribution and grants receivable expected to be collected in less than one year are reported at net realizable value. Those expected to be collected in more than one year are recorded at fair value at the date of promise, if any. Receivables are stated at the amount management expects to collect from balances outstanding. Management closely monitors outstanding balances throughout the year and writes off all balances that are considered uncollectable. Louisiana Central believes that all contributions and grants receivable at December 31, 2022, will be fully collected within one year. Accordingly, no allowance for doubtful accounts is required.

Donated Services

The contribution of services is recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Donated services that meet the recognition criteria are recognized at their fair values. For the year ended December 31, 2022, there were no donated services that met the criteria for recognition.

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 1 – Nature of Activities and Significant Accounting Policies (Continued)

Functional Allocation of Expenses

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

Income Taxes

Louisiana Central is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income pursuant to Section 501(a) of the Internal Revenue Code.

Property and Equipment

Property and equipment with estimated useful lives greater than one year and value greater than \$250 are recorded at cost. Donated assets are recorded at fair market value, if material and reasonably determinable, at the time of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, which range from 5 to 39 years.

Louisiana Central capitalizes interest as a component of the cost of property and equipment constructed for its own use. Capitalization stops when the asset is substantially complete and ready for its intended use. The amount of interest capitalized is determined by applying the applicable rate to average accumulated expenditures.

Prepaid Expenses

Prepaid expenses include insurance premiums paid prior to year-end for coverage included in the next year.

Note 2 –Grants Receivables

Grants receivable at year-end consisted of the following:

| | |
|------------------------------------|------------------|
| Grant receivable - nongovernmental | \$495,095 |
| Employee retention credit | 168,527 |
| Grants receivable – governmental | <u>189,661</u> |
| Total | <u>\$853,283</u> |

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 3 – Fixed Assets and Depreciation

The following schedule summarizes estimated useful life, cost and accumulated depreciation of property, plant and equipment as of December 31, 2022:

| <u>Description</u> | <u>Life</u> | <u>Amount</u> |
|------------------------------------|-------------|------------------|
| Land | | \$ 11,840 |
| Buildings and Improvements | 15-39 years | 570,066 |
| Furniture, fixtures, and equipment | 5-10 years | 118,301 |
| Construction in process | | 25,556 |
| Accumulated depreciation | | <u>(141,437)</u> |
| Net | | <u>\$584,326</u> |

Depreciation expense for the year ended December 31, 2022 was \$27,573.

Note 4 – Notes Payable

| | |
|--|-----------------|
| Line of credit with Red River Bank, with interest rate of 7.5%. | \$65,530 |
| Note payable to Red River Bank for parking lot improvements, collateralized by building, payable in 36 monthly payments of \$783.60, with interest rate of 7.25%. | <u>24,925</u> |
| Total | 90,455 |
| Less current portion | (73,316) |
| Total long-term notes payable | <u>\$17,139</u> |

Future maturities of notes payable are as follows:

| | |
|------|----------|
| 2023 | \$73,316 |
| 2024 | \$8,369 |
| 2025 | \$8,770 |

Louisiana Central's line of credit had \$135,000 of available credit at December 31, 2022.

Note 5 - Concentration of Funding

Louisiana Central receives much of its funding from the Rapides Foundation, direct federal grants, and various other grantors and corporate sponsors in the central Louisiana area. Management is not aware of any actions that would adversely affect the amount of funds Louisiana Central will receive in the next year.

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 6 - Contingencies

Louisiana Central receives grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could result in a request for reimbursement for disallowed costs under the terms of the grant agreements. In the opinion of management, such disallowances, if any, would be insignificant.

Note 7 - Concentration of Credit Risk

The Federal Deposit Insurance Corporation (“FDIC”) currently insures up to \$250,000 of substantially all depository accounts held at each financial institution. At various times during the year, Louisiana Central’s cash deposits may exceed the federal insured limits. At December 31, 2022, Louisiana Central had no uninsured deposits. Louisiana Central has not experienced any losses in such accounts, and management believes it is not exposed to any significant credit risk on cash.

Note 8 - Related Party Transactions

The treasurer of Louisiana Central’s board is a partner at the CPA firm that provides Louisiana Central’s quarterly financial statement compilation services along with supplemental information for the board meetings and other accounting services on an as needed basis. Louisiana Central made payments of \$5,000 to this CPA firm during the year ended December 31, 2022. Louisiana Central owed the CPA firm \$1,250 at December 31, 2022.

A board member of Louisiana Central’s board is the owner of a company that provides telephone system and technology support. Louisiana Central made payments of \$13,333 to this company during the year ended December 31, 2022. Louisiana Central owed this company \$1,673 at December 31, 2022.

Lastly, one of Louisiana Central’s board members is president and CEO of a foundation providing grant funds for Louisiana Central. As president and CEO, he makes grant funding recommendations on Louisiana Central’s behalf to this foundation; however, he does not participate in final grant decisions. During this year, Louisiana Central recognized a total of \$772,255 in grant revenue from this foundation.

Note 9 - Liquidity and Availability of Financial Assets

The following reflects Louisiana Central’s financial assets as of December 31, 2022, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restriction or internal designations. At year-end, all of Louisiana Central’s financial assets were available to meet cash needs for general expenditures within one year.

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 9 - Liquidity and Availability of Financial Assets

| | |
|--|------------------|
| Financial assets: | |
| Cash | \$7,023 |
| Contributions and grants receivable | <u>853,283</u> |
| Financial assets at year-end to meet cash needs for general expenditures | <u>\$860,306</u> |

Louisiana Central has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 10 – Fair Value Measurement

FASB ACS 820-10, Fair Value Measurement, defines fair value, establishes a framework for measuring fair value, establishes a three-level valuation hierarchy for disclosure of fair value measurement and enhances disclosure requirements for fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of the fair value of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 – Represented by quoted prices that are available in an active market. Level 1 securities include cash, checking and savings accounts, certificates of deposit, highly liquid government bonds, treasury securities, mortgage products and exchange traded equities.

Level 2 – Represented by assets and liabilities similar to Level 1 where quoted prices are not available, but are observable, either directly or indirectly through corroboration with observable market data and estimated using pricing models or discounted cash flows. Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions, and certain corporate, asset backed securities, and swap agreements.

Level 3 – Represented by financial instruments where there is limited activity or unobservable market prices and pricing models significant to determining the fair value measurement include the reporting entity’s own assumptions about the market risk. Level 3 securities would include hedge funds, private equity securities, and private investments in public entities.

Fair value of assets measured on a recurring basis at December 31, 2022 are as follows:

| <u>Description</u> | <u>Fair Value Measurement at December 31, 2022 Using</u> | | | |
|--------------------|--|----------------|----------------|----------------|
| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
| Cash | \$7,023 | \$7,023 | \$ - | \$ - |

Louisiana Central
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 11 – Income Taxes

As of December 31, 2022, tax years 2019 and subsequent were still within the prescription period for examination by taxing authorities.

Note 12 – Subsequent Events

There are no subsequent events that are required to be disclosed. Subsequent events have been evaluated through October 3, 2023, which is the date the financial statements were available for issuance.

Supplementary Schedule

Central Louisiana Economic Development Alliance
DBA Louisiana Central
Schedule of Compensation, Benefits and Other Payments to Jim Clinton,
Chief Executive Officer Paid with Government Funds
For the Year Ended December 31, 2022

Purpose

Amount

No public funds were used to make payments to the chief executive officer.

Reports on Internal Control, Compliance, and Other Matters



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

Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central
Alexandria, 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 Central Louisiana Economic Development Alliance, Inc., DBA Louisiana Central (Louisiana Central) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2023.

Report on Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Central's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one 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 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.



KnightMadden

Alexandria, Louisiana

October 3, 2023



Louisiana Central
Schedule of Findings
For the Year Ended December 31, 2022

A. Summary of Auditors' Results

Financial Statements

| | |
|--|------------|
| 1. Type of auditors' report | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiencies identified not considered material weakness? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

| | |
|--|------------------------|
| 1. Type of auditors' report issued on compliance for major programs | N/A |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | N/A |
| b. Significant deficiencies identified not considered material weakness? | N/A |
| 3. Any audit findings disclosed that are required to be reported in the accordance with 2CFR section 200.516(a)? | N/A |
| 4. Identification of major programs | |
| Federal Assistance | |
| <u>Listing Number</u> | <u>Federal Program</u> |
| N/A | |
| 5. Dollar threshold used to distinguish between type A and type B programs | N/A |
| 6. Auditee qualified as low-risk under 2CFR 200.520 | N/A |

Louisiana Central
Schedule of Findings
For the Year Ended December 31, 2022

B. Findings – Financial Statement Audit

INTERNAL CONTROL AND COMPLIANCE FINDING

2022-001 Report Submission

Condition:

Report was not submitted to the Legislative Auditor until October 3, 2023.

Criteria:

Reports are required to be submitted six months after year end.

Effect:

Non-compliance with Louisiana state law.

Cause:

Turnover in key position for gathering audit documentation caused information to be submitted to auditor late which created scheduling conflicts for the auditor to timely complete the audit.

Recommendation:

At year end, designate individual to handle gathering audit information and establish date information needed to ensure timely completion with auditor.

Response:

See Management's Corrective Action Plan.

Louisiana Central
Management's Corrective Action Plan
For the Year Ended December 31, 2022

2022-001 Report Submission

Recommendation:

At year end, designate individual to handle gathering audit information and establish date information needed to ensure timely completion with auditor.

Response:

Auditor and assigned personnel will establish a timeline for completion to meet the Legislative Auditor deadline.

Implementation Date:

October 3, 2023

Contact:

Jim Clinton, Chief Executive Officer (318) 441-3400

Louisiana Central
Summary of Prior Year Audit Findings
For the Year Ended December 31, 2022

No Prior Year Audit Findings.



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

To the Board of Directors of Louisiana Central and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by Louisiana Central (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022 through June 30, 2023. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a. Budgeting, including
 - i. preparing,
Policy is present in the written policies and procedures manual.
 - ii. adopting,
Policy is present in the written policies and procedures manual.
 - iii. monitoring, and
Policy is present in the written policies and procedures manual.

- iv. amending the budget.

Policy is present in the written policies and procedures manual.

- b. Purchasing, including

- i. how purchases are initiated;

Policy is present in the written policies and procedures manual.

- ii. how vendors are added to the vendor list;

Policy is present in the written policies and procedures manual.

- iii. the preparation and approval process of purchase requisitions and purchase orders;

Policy is present in the written policies and procedures manual.

- iv. controls to ensure compliance with the public bid law; and

Policy is present in the written policies and procedures manual.

- v. documentation required to be maintained for all bids and price quotes.

Policy is present in the written policies and procedures manual.

- c. Disbursements, including

- i. processing,

Policy is present in the written policies and procedures manual.

- ii. reviewing, and

Policy is present in the written policies and procedures manual.

- iii. approving

Policy is present in the written policies and procedures manual.

- d. Receipts/Collections, including

- i. receiving,

Policy is present in the written policies and procedures manual.

- ii. recording, and

Policy is present in the written policies and procedures manual.

- iii. preparing deposits

Policy is present in the written policies and procedures manual.

- iv. 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.

Policy is present in the written policies and procedures manual.

- e. Payroll/Personnel, including

- i. payroll processing, and

Policy is present in the written policies and procedures manual.

- ii. reviewing and approving time and attendance records, including leave and overtime worked.

Policy is present in the written policies and procedures manual.

- iii. Approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Policy is present in the written policies and procedures manual.

- f. Contracting, including

- i. types of services requiring written contracts,

Policy is not present in the written policies and procedures manual.

- ii. standard terms and conditions,

Policy is not present in the written policies and procedures manual.

iii. legal review,

Policy is not present in the written policies and procedures manual.

iv. approval process, and

Policy is not present in the written policies and procedures manual.

v. monitoring process

Policy is not present in the written policies and procedures manual.

g. Travel and expense reimbursement, including

i. allowable expenses,

Policy is present in the written policies and procedures manual.

ii. dollar thresholds by category of expense,

Policy is not present in the written policies and procedures manual.

iii. documentation requirements, and

Policy is present in the written policies and procedures manual.

iv. required approvers.

Policy is present in the written policies and procedures manual.

h. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including

i. how cards are to be controlled,

Policy is not present in the written policies and procedures manual.

ii. allowable business uses,

Policy is present in the written policies and procedures manual.

iii. documentation requirements,

Policy is present in the written policies and procedures manual.

- iv. required approvers of statements, and

Policy is not present in the written policies and procedures manual.

- v. monitoring card usage.

Policy is present in the written policies and procedures manual.

- i. Ethics, including

- i. the prohibitions as defined in Louisiana Revised Statute 42:1111-1121,

Not applicable to non-profit organizations.

- ii. actions to be taken if an ethics violation takes place,

Not applicable to non-profit organizations.

- iii. system to monitor possible ethics violations, and

Not applicable to non-profit organizations.

- iv. 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 non-profit organizations.

- j. Debt Service, including

- i. debt issuance approval,

Not applicable to non-profit organizations.

- ii. continuing disclosure/EMMA reporting requirements,

Not applicable to non-profit organizations.

- iii. debt reserve requirements, and

Not applicable to non-profit organizations.

- iv. debt service requirements.

Not applicable to non-profit organizations.

- k. Information Technology Disaster Recovery/Business Continuity, including
 - i. identification of critical data and frequency of data backups,
Policy is not present in the written policies and procedures manual.
 - ii. storage of backups in a separate physical location isolated from the network,
Policy is not present in the written policies and procedures manual.
 - iii. periodic testing/verification that backups can be restored,
Policy is not present in the written policies and procedures manual.
 - iv. use of antivirus software on all systems,
Policy is not present in the written policies and procedures manual.
 - v. Timely application of all available system and software patches/updates, and
Policy is not present in the written policies and procedures manual.
 - vi. Identification of personnel, processes, and tools needed to recover operations after a critical event.
Policy is not present in the written policies and procedures manual.
- l. Sexual Harassment, including R.S. 42:342-344 requirements for
 - i. agency responsibilities and prohibitions,
Policy is present in the written policies and procedures manual.
 - ii. annual employee training,
Policy is present in the written policies and procedures manual.
 - iii. annual reporting.
Policy is present in the written policies and procedures manual.

Management's Response to Section Findings: Exceptions noted in #1f, #1g, #1h and #1k. Management acknowledges shortcomings in policies and procedures manual related to #1f, #1g and #1h and will work to get the policies in place within the next 30 days. Regarding the exceptions noted in #1k, a

third-party IT firm handles all items noted and management does not feel the need to add policies for those items that are handled outside the company.

Board or Finance Committee

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

- a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

The board met with a quorum according to the bylaws.

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

Board meetings include discussions of financial data.

- 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 non-profit organizations.

- d. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

No prior year audit findings.

Management's Response to Section Findings: No findings

Bank Reconciliations

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

List was obtained, and client represented that it was complete.

- a. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date;

All reconciliations were prepared within 2 months of 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; and

The bank reconciliations do include evidence that a person who is not involved in the cash receipts or cash disbursements process has reviewed the reconciliation.

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

Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date.

Management's Response to Section Findings: No findings.

Collections

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

List was obtained, and client represented that it was 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, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each

collection location, and observe that job duties are properly segregated at each collection location such that:

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

No cash is collected only checks, so no cash drawers are used.

- 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 to the deposit.

No cash is collected.

- 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.

No cash is collected.

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

No cash is collected.

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.

Employees are covered under insurance policy.

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

The receipts were not sequentially pre-numbered, but client has controls in place.

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

Not applicable as the receipts were not sequentially pre-numbered.

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

For all deposits tested, the total deposit slip equaled the total deposit per the bank statement.

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

For all deposits tested, deposit was not made within 1 business day.

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

For all deposits tested, the deposit per bank statement equaled the deposit per the general ledger.

Management's Response to Section Findings: Exception noted on #7(d). While the policy is to make deposits within 1 day of receipt, the size of the organization prevents 100% adherence to that policy.

Non-Payroll Disbursements

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).

A list was obtained. Client represented that it was 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.

Two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

Two employees are involved in processing and approving payments to vendors.

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

Employee responsible for processing payments does add and/or modify vendor files, and no other employee is responsible for periodically reviewing changes to vendor files.

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

Official responsible for signing checks does mail the payment or give the signed check to an individual to mail who is not responsible for processing payments.

- e. Only employees/officials authorized to sign checks approve the electronic disbursement/release of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Only employees authorized to sign checks approve the electronic disbursement of funds.

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

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

The disbursements tested matched the related original invoice/billing statement.

- b. Observe whether the disbursement documentation included evidence of segregation of duties tested under #9, as applicable.

Only 1 of the 5 disbursements tested included evidence of segregation of duties.

11. Using the entity's main operating account and the month selected under #8, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was:

- a. Approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and

The disbursements tested were approved by authorized persons.

- b. Approved by the required number of authorized signers per the entity's policy.

The disbursements tested were approved by the correct number of authorized signers.

Management's Response to Section Findings: Exception noted on #9(c) and #10(b). While management strives to achieve complete segregation of duties, the size of the organization prohibits it.

Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

12. 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.

A list was obtained. Client represented that it was complete.

13. 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 that there is evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.

All statements tested had evidence that they were reviewed and approved in writing by someone other than the authorized card holder.

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

No finance charges or late fees were assessed on all statements tested.

14. 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. For each transaction, observe that it is supported by

- a. an original itemized receipt that identifies precisely what was purchased,

An original itemized receipt was provided for all transactions selected.

- b. written documentation of the business/public purpose, and

Written documentation of the business/public purpose was present for all but 3 transactions tested.

- c. documentation of the individuals participating in meals (for meal charges only).

Only 1 transaction tested was for meals, and that transaction had documentation of the individuals participating.

Management's Response to Section Findings: Exception noted on #14(b). Management will review proper procedures with all employees that use the cards and stress the importance of turning in proper documentation.

Travel and Travel-Related Expense Reimbursements

15. 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 list was obtained. Client represented that it was complete.

- a. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Per diem was not used on the reimbursement selected.

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

Itemized receipts were present for reimbursement tested.

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

Business purpose was documented for reimbursement tested.

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

Reimbursement tested was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Management's Response to Section Findings: No findings

Contracts

16. 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 list was obtained. Client represented that it was complete.

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

No contracts were subject to the Louisiana Bid Law.

- b. Observe that the contract was approved by the governing body/board, if required by policy or law.

No contracts required approval by governing board.

- c. If the contract was amended, observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms.

No contracts were amended.

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

All transactions tested had supporting invoice and agreed to terms of the contract.

Management's Response to Section Findings: No findings

Payroll and Personnel

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

A list was obtained. Client represented that it was complete.

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

- a. Observe that all selected employees/officials documented their daily attendance and leave.

Client does not required daily attendance documentation, because all employees are paid a salary.

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

Client does not require daily attendance documentation, because all employees are paid a salary.

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

Client does not have accrued leave.

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

Rate paid to employee agreed to the authorized salary/pay rate found within the personnel file.

19. Obtain a listing of those employees/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 hours to the employee or officials' cumulative leave record, 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.

A list was obtained. Client represented that it was complete. All employees are paid a salary and client does not have accrued leave so nothing to test. Rate of pay agrees to authorized pay rates in the employee's personnel file.

20. Obtain management's 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.

Representation that payments and forms have been filed and paid by required deadlines.

Management's Response to Section Findings: No findings

Ethics

21. 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.

Not applicable to non-profit organizations.

- b. Observe whether the entity maintains documentation which demonstrates each employee/official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable to non-profit organizations.

22. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable to non-profit organizations.

Management's Response to Section Findings: No findings.

Debt Service

23. 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.

Not applicable to non-profit organizations.

24. 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.

Not applicable to non-profit organizations.

Management's Response to Section Findings: No findings

Fraud Notice

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

No misappropriation of public funds in the current year.

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

Entity does have notice posted.

Management's Response to Section Findings: No findings.

Information Technology Disaster Recovery/Business Continuity

27. Perform the following procedures,
- 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, 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.

26. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure 19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

Management's Response to Section Findings: No findings.

Prevention of Sexual Harassment

27. 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.

Sexual harassment training was documented for 2 of the 5 employees selected for testing.

28. 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).

Client has sexual harassment policy posted.

29. 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:

No report was issued.

- a) Number and percentage of public servants in the agency who have completed the training requirements;

None reported.

b) Number of sexual harassment complaints received by the agency;

None reported.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

None reported.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

None reported.

e) Amount of time it took to resolve each complaint.

None reported.

Management's Response to Section Findings: Exceptions noted on #27. Sexual harassment training is required for all employees annually. The year under review had high turnover and several employees that were hired did not undergo the required training. We are moving to make sure that we are in full compliance.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.



KnightMasden
Alexandria, Louisiana
October 3, 2023