

South Louisiana Economic Council, Inc.

Financial Statements
and Independent Auditor's Report
Year Ended December 31, 2025

South Louisiana Economic Council, Inc.
Financial Statements and Independent Auditor's Report
Year Ended December 31, 2025

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**Martin
and
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of South Louisiana Economic Council, Inc., which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of South Louisiana Economic Council, Inc. as of December 31, 2025 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 South Louisiana Economic Council, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about South Louisiana Economic Council, Inc.'s ability to continue as a going concern for 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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 South Louisiana Economic Council, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about South Louisiana Economic Council, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

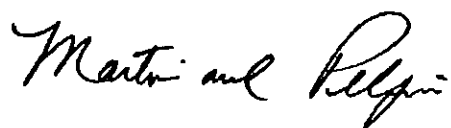
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise South Louisiana Economic Council, Inc.'s basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements.

The Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to the Chief Executive Officer is fairly stated in all material respects in relation to the basic 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 23, 2026, on our consideration of South Louisiana Economic Council, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 South Louisiana Economic Council, Inc.'s internal control over financial reporting and compliance.



Houma, Louisiana
June 23, 2026

FINANCIAL STATEMENTS

South Louisiana Economic Council, Inc.
Statement of Financial Position
December 31, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 199,138
Grants and contracts receivable	204,836
Investment in cooperative endeavor agreement	<u>38,324</u>

TOTAL CURRENT ASSETS 442,298

Property and equipment, net of accumulated depreciation
of \$109,702 40,038

Investment in cooperative endeavor agreement 80,361

TOTAL ASSETS \$ 562,697

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 19,622
Accrued payroll and related benefits payable	<u>1,532</u>

TOTAL CURRENT LIABILITIES 21,154

Net assets:

Without donor restrictions	422,858
With donor restrictions	<u>118,685</u>

TOTAL NET ASSETS 541,543

TOTAL LIABILITIES AND NET ASSETS \$ 562,697

See accompanying notes.

South Louisiana Economic Council, Inc.
Statement of Activities
Year Ended December 31, 2025

	Without Donor <u>Resitrictions</u>	With Donor Restrictions	<u>Total</u>
REVENUES AND OTHER SUPPORT:			
Governmental grants & local industry contracts	\$ 73,178	\$ 836,966	\$ 910,144
Insurance proceeds	42,082	-	42,082
Events income	39,182	-	39,182
Interest income	741	-	741
Satisfaction of restrictions	<u>875,290</u>	<u>(875,290)</u>	<u>-</u>
 Total revenue and other support	 <u>1,030,473</u>	 <u>(38,324)</u>	 <u>992,149</u>
EXPENSES:			
Program services:			
Economic development programs	701,056		701,056
Support services:			
General and administrative	<u>194,848</u>		<u>194,848</u>
 Total expenses	 <u>895,904</u>		 <u>895,904</u>
INCREASE (DECREASE) IN NET ASSETS	134,569	(38,324)	96,245
NET ASSETS AT BEGINNING OF YEAR	<u>288,289</u>	<u>157,009</u>	<u>445,298</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 422,858</u></u>	<u><u>\$ 118,685</u></u>	<u><u>\$ 541,543</u></u>

See accompanying notes.

South Louisiana Economic Council, Inc.
Statement of Functional Expenses
Year Ended December 31, 2025

	<u>Program Services</u>	<u>Support Services</u>	
	<u>Economic Development Programs</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 298,459	\$ 116,068	\$ 414,527
Professional fees	143,699	22,550	166,249
Insurance	29,495	29,215	58,710
Event registration fees	46,590	-	46,590
Travel	46,049	-	46,049
Dues and subscriptions	41,710	-	41,710
Amortization of prepaid rent	38,324	-	38,324
Payroll taxes	22,244	8,537	30,781
Depreciation	14,576	-	14,576
Meetings	11,683	-	11,683
Office	-	9,966	9,966
Professional development	-	5,976	5,976
Sponsorship	4,565	-	4,565
Printing	2,824	-	2,824
Lease	-	1,444	1,444
Telephone	718	718	1,436
Postage	120	119	239
Other	-	230	230
Bank charges	-	25	25
Total	<u>\$ 701,056</u>	<u>\$ 194,848</u>	<u>\$ 895,904</u>

See accompanying notes.

South Louisiana Economic Council, Inc.
Statement of Cash Flows
Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Adjustments to reconcile increase in net assets to net cash
provided by operating activities:

Increase in net assets	\$ 96,245
Depreciation	14,576
Amortization of prepaid rent	38,324
Decrease in operating assets:	
Grants and contracts receivable	93,761
Decrease in operating liabilities:	
Accounts payable	(87,732)
Other accrued liabilities	(6,896)
Deferred revenue	<u>(50,000)</u>

Net cash provided by operating activities	98,278
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CASH FLOWS USED IN INVESTING ACTIVITIES

Purchases of property and equipment	<u>(2,183)</u>
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NET INCREASE IN CASH AND CASH EQUIVALENTS	96,095
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BEGINNING CASH AND CASH EQUIVALENTS	<u>103,043</u>
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ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 199,138</u></u>
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See accompanying notes.

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. NATURE OF THE ORGANIZATION

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.

B. BASIS OF PRESENTATION

The financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

C. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the Council considers all unrestricted cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents.

D. REVENUE RECOGNITION

Contributions are recognized when the donor makes a promise to give to the Council that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

E. BAD DEBTS

The financial statements of the Council contain no allowance for uncollectible promises to give. Uncollectible accounts are recognized as an expense at the time information becomes available that indicates the amounts are uncollectible. While accounting principles generally accepted in the United States of America require that bad debts be recorded utilizing the allowance method, the difference between the two methods is immaterial to the Council, as management considers all promises to give to be fully collectible.

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

F. PROPERTY AND EQUIPMENT

Property and equipment acquired by the Council are considered to be owned by the Council except for certain equipment acquired with grant funds. Title for such property may revert to the State at the completion of the grant period at the discretion of the State. Property and equipment are stated at cost. Depreciation is computed utilizing the straight-line method over the estimated useful lives of five to fifteen years. Property and equipment acquisitions are capitalized if the purchase price exceeds \$500 and the asset has a useful life of greater than one year.

G. ACCUMULATED VACATION AND SICK LEAVE

Full-time employees completing one year of continuous service earn two weeks vacation. Full-time employees completing ten years of continuous service earn three weeks vacation. All full-time employees earn one day of sick leave per month employed. Sick leave may be accumulated and carried forward from year to year up to a maximum of 30 days; however, it is not paid out upon termination. Vacation hours do not carryover to future years. Upon termination, only unused vacation time for the current year may be paid out. Therefore, a liability for vacation and sick leave is not accrued.

H. NET ASSETS

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

Net assets without donor restrictions – Net assets not subject to donor-imposed stipulations.

Net assets with donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Council and/or the passage of time, and net assets subject to donor-imposed stipulations that they be maintained permanently by the Council. When a restriction expires, 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. Generally, the donors of assets with no restriction expiration permit the Council to use all or part of the income earned on any related investments for general or specific purposes.

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

I. FUNCTIONAL ALLOCATION OF EXPENSES

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

J. INCOME TAXES

The Council is a not-for-profit, corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Internal Revenue Code and qualifies for the charitable contributions deduction for individual donors.

K. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – FAIR VALUES OF FINANCIAL INSTRUMENTS

The Council's financial instruments, none of which are held for trading purposes, include cash and cash equivalents, grants and contracts receivable, and accounts payable. Management estimates that the fair value of all financial instruments as of December 31, 2025 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

The Organization maintains its bank accounts in one bank which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year the Council's deposits exceeded federally insured limits. Management does not believe that the Council has significant risks as related to its bank deposits.

Financial instruments that potentially subject the Council to concentrations of credit risk consist principally of receivables from the State of Louisiana and the Greater New Orleans Development Foundation. Because these receivables are support from the state government or local donors, the Council requires no collateral for these amounts.

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 4 – GRANTS AND CONTRACT RECEIVABLES

As of December 31, 2025, the following grants and contract receivables were accrued:

Department of Economic Development (LED)	\$ 165,608
Greater New Orleans Development Foundation	11,345
Other receivables	<u>27,883</u>
	<u><u>\$ 204,836</u></u>

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of changes in property and equipment follows:

	Balance January 1, 2025	Additions	Dispositions	Balance December 31, 2025
Capital assets being depreciated:				
Building improvements	\$ 63,082	\$ -	\$ -	\$ 63,082
Fixtures and equipment	<u>84,475</u>	<u>2,183</u>	<u>-</u>	<u>86,658</u>
Total capital assets, depreciated	147,557	2,183	-	149,740
Less: accumulated depreciation	<u>(95,126)</u>	<u>(14,576)</u>	<u>-</u>	<u>(109,702)</u>
Total capital assets, depreciated	<u><u>\$ 52,431</u></u>	<u><u>\$ (12,393)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 40,038</u></u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

The restrictions on net assets as of December 31, 2025 relate to the investment in cooperative endeavor agreement.

NOTE 7 – INVESTMENT IN COOPERATIVE ENDEAVOR AGREEMENT

On August 29, 2011, the Council 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 university's campus. This agreement is for a term of twenty years, beginning on September 15, 2011, and ending on September 14, 2031. In November 2023, the original agreement was amended to reflect an increase in the investment, retroactive to the beginning of occupancy. Lease payments are waived until the annual lease payments equal the sum of the investment. Occupancy began in 2013. The Council is required to make lease payments of \$3,194 per month or \$38,324 annually. The Council has incurred \$594,546 for the design and construction cost of the investment

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 7 – INVESTMENT IN COOPERATIVE ENDEAVOR AGREEMENT (cont.)

in the cooperative endeavor agreement. 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, 2025, the Council has an unamortized balance of \$118,685 related to this agreement.

NOTE 8 – 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.

NOTE 9 – UNCERTAIN INCOME TAXES

The Council's 2024 tax return was filed appropriately. As of June 2026, the Council had not filed its 2025 tax return as the filing due date had been extended to November 15, 2026. The Council recognizes interest and penalties, if any, related to unrecognized tax benefits in income tax expense. The Council's tax filings are subject to audit by various taxing authorities. The Council's open audit period is 2022 to 2024. Management has evaluated the Council's tax position and concluded that the Council has taken no uncertain tax positions that require adjustment to the financial statements to comply with provisions of this guidance.

NOTE 10 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Council's financial assets as of December 31, 2025, reduced by any amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions or internal designations.

Current assets	\$ 442,299
Less those unavailable for general expenditures within one year:	
Investment in cooperative endeavor agreement	<u>38,324</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 403,975</u>

South Louisiana Economic Council, Inc.
Notes to the Financial Statements
Year Ended December 31, 2025

NOTE 11 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through June 23, 2026, which is the date the financial statements were available to be issued, and it was determined that the following event occurred that warrants disclosure. No subsequent events occurring after this date have been evaluated for inclusion in this financial statement.

On January 16, 2026, the Organization changed its name to COLAB Foundation, Inc.

SUPPLEMENTARY INFORMATION

South Louisiana Economic Council, Inc.
Schedule of Compensation, Benefits, and Other
Payments to the Chief Executive Officer
Year Ended December 31, 2025

Agency Head Name: Ms. Christy Zeringue, Chief Executive Officer

Purpose	Amount
Salary	\$ 120,000
Benefits - insurance	13,543
Benefits - retirement	-
Deferred compensation	-
Benefits - other	-
Car allowance/automobile expense	6,433
Vehicle provided by government	-
Per diem	-
Reimbursements	388
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Special meals	-

This schedule is used to satisfy the reporting requirements of 24:513(A)(3).

See independent auditor's report.

SPECIAL REPORT 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**

To the 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. (a nonprofit organization), which comprise the statement of financial position as December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Louisiana Economic Council, Inc.'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Louisiana Economic Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we

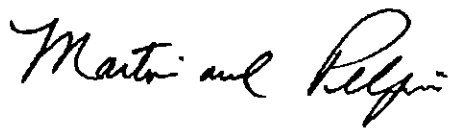
consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Louisiana Economic Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Houma, Louisiana
June 23, 2026

South Louisiana Economic Council, Inc.
Schedule of Findings and Responses
Year Ended December 31, 2025

Section I – Summary of Auditor’s Results

1. The auditor’s report expresses an unmodified opinion on the financial statements of the Council.
2. No deficiencies in internal control were noted during the audit of the financial statements.
3. No instances of noncompliance or other matters required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were noted during the audit of the financial statements.
5. A management letter was not issued.

Section II – Financial Statement Findings

No findings related to the financial statements of the Council were noted during the audit.

Section III – Findings and Responses – Major Federal Award Program Audit

This section is not applicable.

REPORTS BY MANAGEMENT

South Louisiana Economic Council, Inc.
Management's Corrective Action
Plan for Current Year Findings
Year Ended December 31, 2025

The contact person for all corrective actions noted below is Ms. Linda Tabor, Finance Manager.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

South Louisiana Economic Council, Inc.
Schedule of Prior Findings and Resolution Matters
Year Ended December 31, 2025

Note: All prior findings relate to the December 31, 2024 audit engagement.

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

This section is not applicable.

Section II – Internal Control and Compliance Material to Federal Awards

This section is not applicable.

Section III – Management Letter

This section is not applicable.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Councilors
South Louisiana Economic Council, Inc.
Houma, Louisiana

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, 2025 through December 31, 2025. South Louisiana Economic Council, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

South Louisiana Economic Council, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. 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 described on pages 22-38.

We were engaged by 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 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 results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

A handwritten signature in black ink, appearing to read "Martin L. Phipps". The signature is written in a cursive, flowing style.

Houma, Louisiana
June 23, 2026

South Louisiana Economic Council, Inc.

Schedule of Procedures and Associated Findings of the
Statewide Agreed-Upon Procedures
Year Ended December 31, 2025

The required procedures and our findings are as follows:

Procedures performed on the Council's written policies and procedures:

Written Policies and Procedures

1. Obtain and inspect the Council's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- a. Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Obtained and read the written policy for purchasing and found it to contain all requirements above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c. Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- d. 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.

Performance: Obtained and read the written policy for receipts/collections and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for payroll and personnel and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy related to contracting and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- g. Credit Cards, 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.

Performance: Obtained and read the written policy related to credit cards and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- h. Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Performance: Obtained and read the travel and expense reimbursement policy and found it contained all requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 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 non-profit organizations.

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- j. 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 non-profit organizations.

- k. Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Performance: Obtained and read written policy for information technology disaster recovery/business continuity and found it to contain the requirements listed above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- l. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable to non-profit organizations.

Board or Finance Committee

- 2. Obtain and inspect all of the board 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 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.

Performance: Determined that the board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Exceptions: A board meeting was not held in June.

Management's response: This was an isolated incidence.

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- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the enterprise fund.

Performance: Determined whether the minutes referenced or included monthly budget-to-actual comparisons.

Exceptions: The minutes reviewed did not reference or include budget-to-actual comparisons.

Management's response: Not applicable.

- c) 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.

Performance: Determined that the Council has no outstanding audit findings.

Bank Reconciliations

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that randomly selected bank statements were reconciled within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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 within one month of the date the reconciliation was prepared.

Performance: Inspected documentation for timely management approvals of each randomly selected bank reconciliation.

Exceptions: While the bank reconciliations have documentation of management approvals, these approvals are not dated.

Management's response: The member of management will date his/her

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signature when the bank reconciliations are reviewed and approved.

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

Performance: Determined that there were no items outstanding for more than twelve months as of the end of the statement closing date.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Collections

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

Performance: Observed the listing of deposit sites from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed the listing of collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that no cash drawers/registers are shared by employees.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation to the deposit.

Performance: Inspected policy manual and inquired of client to ensure

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separation of duties for those employees collecting cash and those employees preparing/making bank deposits.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees posting collection entries to the general ledger or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected policy manual and inquired of client to ensure separation of duties for those employees collecting cash and those employees reconciling cash collections to the general ledger and/or subsidiary ledgers.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether employees who have access to cash are covered by a bond or insurance policy for theft.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

7. Randomly select two deposit dates for each of the bank accounts selected for procedure #3 under "Bank Reconciliations" above. Obtain supporting documentation for each of the deposits and:

a) Observe that receipts are sequentially pre-numbered.

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

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

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- d) Observe that the deposit was made within one business day of receipt at the collection location.
- d) Trace the actual deposit per the bank statement to the general ledger.

Performance: Performed procedures 7a through 7e above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained a listing of locations that processed payments for the fiscal period from management and received management's representation in a separate letter. Determined that only one location processed payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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, 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.

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for initiating, approving, and making purchases.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payment functions along with written policies and procedures for those functions to determine if there was a proper segregation of duties for processing and approving payments to vendors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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- 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.

Performance: Inspected policy manual and inquired of management as to separation of duties related to vendor files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inquired of management to determine if the employee responsible for processing payments mails those respective payments.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inquired of management to determine whether release of electronic disbursements are appropriately authorized.

Exceptions: No exceptions were noted.

Management's response: Not applicable.

- 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 five disbursements for each location, obtain supporting documentation for each transaction, and:

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter. Randomly selected five disbursements using a random number generator for check numbers to test the requirements below.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the five random disbursements matched their

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respective original invoices and that the invoices indicate that deliverables were received by the entity.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined whether the documentation for the five random disbursements gave evidence of the segregation of duties tested under #9 above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

Performance: Determined whether the documentation for the five random disbursements gave evidence of the disbursements being appropriately approved.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained a listing of all active credit cards (including the card numbers and the person in possession of the card) and management's representation that the listing is complete.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation was 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.

Performance: Selected all three credit cards for testing; randomly selected one month for each credit card and determined that supporting documentation was properly reviewed and approved in writing by someone other than the authorized user and that no finance charges or late fees were assessed.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

14. Using the monthly statements or combined statements selected under #13 above, 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 (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.

Performance: For the statements selected for testing in #13, selected all transactions from each and determined that the charges were supported by an original, detailed, itemized receipt which included written documentation of business purpose and individuals participating in the meals, if applicable.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

15. Using the list of terminated employees obtained in Payroll and Personnel procedure 20 identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Performance: Determined that card access was deactivated for any terminated employee with such access.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

16. 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 five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Requested a listing of travel and related expense reimbursements for the year. Management's representation of the listing was confirmed this in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that there were no travel reimbursements during the year based on a per diem.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that travel reimbursements based on actual costs were supported by a properly documented original itemized receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Determined that each reimbursement was supported by documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Performance: Determined that each reimbursement was properly approved by someone other than the recipient.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Contracts

17. 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. Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:

Performance: Observed the listing of contracts in effect during the fiscal year from management and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law, if required by law.

Performance: Determined that contracts in place were not required to be bid in accordance with the Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the selected contracts were approved by the board.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Determined that selected contracts did not include amendments to the original contracts.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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that the invoice and related payment agreed to the terms and conditions of the contract.

Performance: Inspected the randomly selected invoice and compared to the written contract information to determine that the invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Payroll and Personnel

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

Performance: Observed the listing of employees and received management's representation of completeness in a separate letter. Randomly selected five employees, obtained personnel files, and agreed pay rates to personnel files.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Determined that all selected employees documented their daily attendance and leave for the selected pay period.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Determined that the attendance and leave of each employee for the selected pay period was approved by each employee's respective supervisor.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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Performance: For the five employees selected, determined that accrued and/or paid leave in the pay period was properly reflected in the Council's cumulative leave records.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: For the five employees selected, determined that the pay rate as per the payroll check computation agreed to the pay rate in the personnel file.

Exceptions: There were no exceptions noted.

Management's response: Not applicable

20. 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 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.

Performance: Obtained a listing of the employees receiving termination payments and management's written representation that the list is complete. For any such payments during the year, agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' personnel files, and determined that the termination payments agreed to the Council's policy.

Exceptions: Two termination payments were made during the year. There were no exceptions noted.

Management's response: Not applicable.

21. 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.

Performance: Obtained management's representation that employer and employee portions of third-party payroll-related amounts have been paid, and any related forms have been timely filed.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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Ethics

22. Using the five randomly selected employees from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee selected had completed one hour of ethics training during the fiscal period.
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official was notified of any changes to the entity's policy during the fiscal period, as applicable.
23. 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.

Debt Service

24. 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 Council approval was obtained for each bond/note issued.
25. 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.

Fraud Notice

26. 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.

Performance: Inquired of management of any misappropriations of public funds or assets and determined that none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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27. 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.

Performance: Inquired and observed such notice posted on the premises and website.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

Information Technology Disaster Recovery/Business Continuity

28. Perform the following procedures and verbally discuss 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, was not stored on the local server or network, and was encrypted.
- 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 three months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting software in use are currently supported by the vendor.

29. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #20. Observe evidence that the selected terminated employees have been removed or disabled from the network.

30. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #18, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the Council's information technology assets have completed cybersecurity training as required by R.S. 42:1267 . The requirements are as follows:

- a) Hired before June 9, 2020 - completed the training; and
- b) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment

Performance: We performed the procedures and discussed the results with

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management.

Sexual Harassment

31. Using the five randomly selected employees/officials from procedure #18 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
32. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website.
33. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the Council who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the Council;
 - 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.

Non applicable to non-profit organizations.