

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

Livingston Economic Development Council, Inc.
Livingston, Louisiana
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December 31, 2018 and 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Livingston Economic Development Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Economic Development Council, Inc., as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

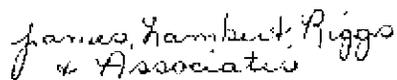
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2019, on our consideration of the Livingston Economic Development Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Livingston Economic Development Council, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Livingston Economic Development Council, Inc.'s internal control over financial reporting and compliance.



James Lambert Riggs
& Associates

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 5, 2019

Financial Statements

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Financial Position
December 31, 2018 and 2017

| | 2018 | 2017 |
|--|--------------|--------------|
| Assets | | |
| Current Assets: | | |
| Cash and Cash Equivalents | \$ 639,200 | \$ 640,401 |
| Certificate of Deposit | 392,259 | 390,160 |
| Accounts Receivable | 2,500 | 2,500 |
| Total Current Assets | 1,033,959 | 1,033,061 |
| Non-Current Assets: | | |
| Promises to Give, Net of Allowance of \$3,475 in 2018 and \$5,125 in 2017 | 66,025 | 97,375 |
| Property and Equipment, Net of Accumulated Depreciation of \$32,648 and \$30,981 in 2018 and 2017 | 592,222 | 593,889 |
| Total Non-Current Assets | 658,247 | 691,264 |
| Total Assets | \$ 1,692,206 | \$ 1,724,325 |
| Liabilities and Net Assets | | |
| Liabilities: | | |
| Accounts Payable | \$ - | \$ - |
| Deferred Revenue | 650 | 20,030 |
| Accrued Expenses | 6,505 | 7,638 |
| Total Liabilities | 7,155 | 27,668 |
| Net Assets: | | |
| With Donor Restrictions | - | - |
| Without Donor Restrictions | 1,685,051 | 1,696,657 |
| Total Net Assets | 1,685,051 | 1,696,657 |
| Total Liabilities and Net Assets | \$ 1,692,206 | \$ 1,724,325 |

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Activities
For the Years Ended December 31, 2018 and 2017

| | 2018 | | | 2017 | | |
|------------------------------------|----------------------------------|-------------------------------|---------------------|----------------------------------|-------------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Revenues and Other Support: | | | | | | |
| Hotel Occupancy Taxes | \$ 193,745 | \$ - | \$ 193,745 | \$ 168,009 | \$ - | \$ 168,009 |
| Livingston Tomorrow Pledges | 29,125 | - | 29,125 | 136,300 | - | 136,300 |
| Livingston Parish Investment | 27,000 | - | 27,000 | 27,000 | - | 27,000 |
| Membership Investments | 66,197 | - | 66,197 | 39,254 | - | 39,254 |
| Interest Earnings | 3,522 | - | 3,522 | 2,444 | - | 2,444 |
| Baton Rouge Area Chamber | 10,500 | - | 10,500 | - | - | - |
| Mortgage Finance Authority | 30,000 | - | 30,000 | 30,000 | - | 30,000 |
| Grant Income | 64,016 | - | 64,016 | 29,119 | - | 29,119 |
| Miscellaneous | 9,340 | - | 9,340 | 4,623 | - | 4,623 |
| Total Revenues and Other Support | 433,445 | - | 433,445 | 436,749 | - | 436,749 |
| Expenses: | | | | | | |
| Program Services | 374,611 | - | 374,611 | 409,997 | - | 409,997 |
| Supporting Activities: | | | | | | |
| Management and General | 62,593 | - | 62,593 | 47,475 | - | 47,475 |
| Fundraising | 7,847 | - | 7,847 | 6,520 | - | 6,520 |
| Total Expenses | 445,051 | - | 445,051 | 463,992 | - | 463,992 |
| Change in Net Assets | (11,606) | - | (11,606) | (27,243) | - | (27,243) |
| Net Assets - Beginning of the Year | 1,696,657 | - | 1,696,657 | 1,723,900 | - | 1,723,900 |
| Net Assets - End of the Year | <u>\$ 1,685,051</u> | <u>\$ -</u> | <u>\$ 1,685,051</u> | <u>\$ 1,696,657</u> | <u>\$ -</u> | <u>\$ 1,696,657</u> |

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Functional Expenses
For the Years Ended December 31, 2018 and 2017

| | December 31, 2018 | | | | December 31, 2017 | | | |
|-------------------------|---------------------|-----------------------|-----------------|-------------------|---------------------|-----------------------|-----------------|-------------------|
| | Program Services | Supporting Activities | | | Program Services | Supporting Activities | | |
| | | Mgmt. and General | Fundraising | Total | | Mgmt. and General | Fundraising | Total |
| Advertising & promotion | \$ 126,789 | \$ - | \$ - | \$ 126,789 | \$ 47,170 | \$ - | \$ - | \$ 47,170 |
| Auto | - | 2,017 | - | 2,017 | - | 1,387 | - | 1,387 |
| Bad debt expense | - | - | 7,847 | 7,847 | - | - | 6,520 | 6,520 |
| Conferences & seminars | 11,953 | - | - | 11,953 | 9,574 | - | - | 9,574 |
| Depreciation | 1,667 | - | - | 1,667 | 1,667 | - | - | 1,667 |
| Donations | - | - | - | - | 103,000 | - | - | 103,000 |
| Dues & subscriptions | 2,961 | - | - | 2,961 | 3,308 | - | - | 3,308 |
| Insurance | - | 4,274 | - | 4,274 | - | 4,170 | - | 4,170 |
| Miscellaneous | 415 | 2,350 | - | 2,765 | 491 | 2,780 | - | 3,271 |
| Office | - | 10,159 | - | 10,159 | - | 9,267 | - | 9,267 |
| Postage & freight | - | 298 | - | 298 | - | 323 | - | 323 |
| Professional fees | 2,789 | 20,975 | - | 23,764 | 5,606 | 16,495 | - | 22,101 |
| Rent | 9,900 | 3,300 | - | 13,200 | 9,900 | 3,300 | - | 13,200 |
| Repairs & maintenance | 455 | - | - | 455 | 455 | - | - | 455 |
| Salaries & benefits | 217,682 | 18,530 | - | 236,212 | 228,826 | 9,093 | - | 237,919 |
| Telephone | - | 690 | - | 690 | - | 660 | - | 660 |
| | <u>\$ 374,611</u> | <u>\$ 62,593</u> | <u>\$ 7,847</u> | <u>\$ 445,051</u> | <u>\$ 409,997</u> | <u>\$ 47,475</u> | <u>\$ 6,520</u> | <u>\$ 463,992</u> |

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Cash Flows from Operating Activities: | | |
| Increase (decrease) in net assets | \$ (11,606) | \$ (27,243) |
| Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 1,667 | 1,667 |
| Interest earned on certificates of deposit | (2,099) | (2,144) |
| (Increase) / decrease in leases receivable | - | 2,930 |
| (Increase) / decrease in promises to give | 31,350 | 81,790 |
| Increase / (decrease) in deferred revenue | (19,380) | 4,735 |
| Increase / (decrease) in accrued expenses | (1,133) | 5,815 |
| Net cash provided by (used in) operating activities | <u>(1,201)</u> | <u>67,550</u> |
| Cash Flows from Investing Activities: | | |
| Purchase / construction of fixed assets | - | (51,839) |
| Net cash provided by (used in) investing activities | - | (51,839) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,201) | 15,711 |
| Cash and Cash Equivalents - Beginning of the Year | <u>640,401</u> | <u>624,690</u> |
| Cash and Cash Equivalents - End of the Year | <u>\$ 639,200</u> | <u>\$ 640,401</u> |
| Supplemental Disclosure of Cash Flow Information: | | |
| Cash paid during the year for: | | |
| Interest | <u>\$ -</u> | <u>\$ -</u> |
| Noncash Investing Activities: | | |
| Interest earned on and reinvested in certificates of deposit | <u>\$ 2,099</u> | <u>\$ 2,144</u> |

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements
For the Years Ended December 31, 2018 and 2017

Introduction

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

1. Summary of Significant Accounting Policies

A. Basis of Accounting

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

B. Basis of Presentation

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

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

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

C. Cash and Cash Equivalents

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

D. Promises to Give

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

E. Allowance for Doubtful Accounts

Promises to give are stated net of an allowance for doubtful accounts. LEDC estimates the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and changes in donor commitments. The allowance for doubtful accounts for promises to give was \$3,475 and \$5,125 at December 31, 2018 and 2017, respectively. It is the LEDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Bad debt expense for the years ended December 31, 2018 and 2017, was \$7,847 and \$0, respectively.

F. Property and Equipment

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

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

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

All donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same accounting period are reported as support and revenues without restrictions.

Fundraising and other revenues are recognized as earned.

H. Concentrations of Credit Risk

Cash on Deposit and Uninsured Balances:

LEDC maintains its cash balances and certificates of deposit at various financial institutions. As of December 31, 2018 and 2017, LEDC's cash balances and certificates of deposit not covered from loss by the FDIC totaled \$0 and \$0, respectively.

Source of Funding:

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

LEDC's primary operating budget is sustained through funds received from the Louisiana Department of the Treasury. Funds received from the state of Louisiana accounted for approximately 44.70% and 38.47% of total revenue, during 2018 and 2017, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

I. Functional Expense Reporting

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

J. Fair Value Measurements:

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

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

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

Level 3: Inputs are unobservable for the asset.

K. Compensated Absences

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

L. Advertising

Advertising costs are expensed as incurred. LEDC incurred \$126,789 and \$47,170 of advertising expenses during the years ended December 31, 2018 and 2017, respectively.

M. Income Taxes

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

LEDC has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in any entity's financial statements. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The adoption of this interpretation had no material impact on LEDC's financial statements at December 31, 2018.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

LEDC's tax returns for the years ended December 31, 2017, December 31, 2016, and December 31, 2015, remain open and subject to examination by taxing authorities.

N. Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

O. Recent Financial Accounting Pronouncements

During the year ended December 31, 2018, LEDC adopted the requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14)*. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is a change in the net asset classes used in the financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity and availability of financial statements has also been added to the financial statements (Note 11).

P. Use of Estimates

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

2. **Cash**

Cash and cash equivalents at December 31, 2018 and 2017, consisted of the following:

| | Balance 12/31/18 | Balance 12/31/17 |
|-------------------------|---------------------|---------------------|
| Bank Operating Accounts | \$ 464,500 | \$ 438,987 |
| Savings Account | 174,700 | 201,414 |
| | <u>\$ 639,200</u> | <u>\$ 640,401</u> |

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

3. Certificates of Deposit

LEDC invests in certificates of deposit held by financial institutions. The following is a schedule of the certificates of deposit at December 31, 2018 and 2017:

| | <u>Balance 12/31/18</u> | <u>Balance 12/31/17</u> |
|-------------------------------|-----------------------------|-----------------------------|
| Certificates of Deposit: | | |
| First Guaranty Bank | \$ 142,742 | \$ 142,742 |
| Whitney Bank | <u>249,517</u> | <u>247,418</u> |
| Total Certificates of Deposit | <u>\$ 392,259</u> | <u>\$ 390,160</u> |

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2018 and 2017, is as follows:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------|-------------------|-------------------|
| Land | \$ 563,892 | \$ 563,892 |
| Equipment and Other | <u>60,978</u> | <u>60,978</u> |
| | 624,870 | 624,870 |
| Less: Accumulated Depreciation | <u>(32,648)</u> | <u>(30,981)</u> |
| Total | <u>\$ 592,222</u> | <u>\$ 593,889</u> |

For the years ended December 31, 2018 and 2017, depreciation expense was \$1,667 and \$1,667, respectively.

5. Fair Value Measurements

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis as of December 31, 2018:

| | <u>Quoted Prices in Active Markets for Identical Asset or Liability (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> | <u>Carrying Value</u> |
|-------------------------|---|--|--|---------------------------|
| Financial Assets: | | | | |
| Cash & Cash Equivalents | \$ 639,200 | \$ - | \$ - | \$ 639,200 |
| Investment Securities | 392,259 | - | - | 392,259 |

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

6. Pension Plan

LEDC has a Simple Retirement Plan in accordance with Internal Revenue Code Section 408(p). The plan allows LEDC to fund the IRA up to 3% of all full-time employees' gross salary. LEDC's expense for the IRA was \$5,878 and \$6,165 for the years ended December 31, 2018 and 2017, respectively.

7. Lease Commitments

During 2010, LEDC moved administrative offices to the Livingston Parish Council building, where office space is leased for \$1,100 a month. The lease with the Livingston Parish Council was for a period of five years, beginning July 1, 2010 through June 30, 2015. This lease was extended in 2015 for \$1,100 a month for an additional five years, beginning July 1, 2015 through June 30, 2020. Rent expense for leases for the years ended December 31, 2018 and 2017, was \$13,200 and \$13,200, respectively.

Annual rental commitments are as follows:

| | |
|------------------------------|------------------|
| Years Ending December 31, | |
| 2019 | \$ 13,200 |
| 2020 | <u>6,600</u> |
| Total Minimum Lease Payments | <u>\$ 19,800</u> |

In late 2018 / early 2019, the decision was made to move LEDC's administrative office location from the Livingston Parish Council building to the Northshore Technical Community College in Walker, Louisiana. No rent will be charged to LEDC at this new location. The move is anticipated to occur in late 2019. The existing lease with the Livingston Parish Council is expected to be terminated at that time with no penalty.

8. Promises to Give

LEDC has held fund-raising events over the past few years for the Livingston Tomorrow Campaign, in which cash and unconditional promises to give were received. Livingston Tomorrow is an economic development plan outlining the strategies and goals that will create new jobs with significantly higher wages; stable and growing tax base; new market opportunities for existing businesses; protection of existing business investments; individual engagement in the community growth; and unparalleled quality of life. The original Livingston Tomorrow Campaign began in 2007 and was closed during 2015, and any remaining receivables were written off against the existing allowance for doubtful accounts. The new Livingston Tomorrow Campaign began in 2015 with the same strategies and goals as the original campaign.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

Unconditional promises to give consist of the following at December 31, 2018 and 2017:

| | <u>2018</u> | <u>2017</u> |
|--------------------------------------|------------------|------------------|
| Receivable in less than one year | \$ 69,500 | \$ 32,500 |
| Receivable in one to five years | - | 70,000 |
| Total unconditional promises to give | 69,500 | 102,500 |
| Less allowance for doubtful accounts | (3,475) | (5,125) |
| Net unconditional promises to give | <u>\$ 66,025</u> | <u>\$ 97,375</u> |

9. Net Assets with Donor Restrictions

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

| | <u>2018</u> | <u>2017</u> |
|-------|-------------|-------------|
| None | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ -</u> |

10. Net Assets Released from Donor Restrictions

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

| | <u>2018</u> | <u>2017</u> |
|-------|-------------|-------------|
| None | \$ - | \$ - |
| Total | <u>\$ -</u> | <u>\$ -</u> |

11. Liquidity and Availability of Financial Assets

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

| | <u>2018</u> | <u>2017</u> |
|---|---------------------|---------------------|
| Financial Assets, at Year-End | | |
| Cash and Cash Equivalents | \$ 639,200 | \$ 640,401 |
| Certificate of Deposit | 392,259 | 390,160 |
| Accounts Receivable | 2,500 | 2,500 |
| Financial Assets Available to Meet Cash Needs for General Expenses Within One Year | <u>\$ 1,033,959</u> | <u>\$ 1,033,061</u> |

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2018 and 2017

12. Date of Management's Review

Subsequent events have been evaluated through June 5, 2019, which is the date the financial statements were available to be issued. As described in detail in Note 7, LEDC's administrative offices will be moving from the Livingston Parish Council building to the Northshore Technical Community College in Walker, Louisiana in late 2019. No additional subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Other Supplemental Information:

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2018

Agency Head: David Bennett, President

| Purpose | Amount |
|-------------------------------------|-------------------|
| Salary | \$ 136,000 |
| Benefits - Insurance | 12,000 |
| Benefits - Retirement | 4,638 |
| Deferred Compensation | - |
| Benefits - Other - Supplemental Pay | - |
| Car Allowance | 6,600 |
| Vehicle Provided by Government | - |
| Vehicle Rental | - |
| Cell Phone | - |
| Dues | - |
| Per Diem | - |
| Reimbursements | 360 |
| Travel | - |
| Registration Fees | - |
| Conference Travel | - |
| Housing | - |
| Unvouchered Expenses | - |
| Special Meals | - |
| Other | - |
| | <u>\$ 159,598</u> |

See auditor's report.

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

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

J. Bryan Ehricht, CPA
Samantha D. Wagner, CPA
Megan E. Lynch, CPA
Christie J. Barado
B. Jacob Steib
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.
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American Institute of CPAs
Society of Louisiana CPAs

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Livingston Economic Development Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 5, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Economic Development Council, Inc.'s internal control over financial reporting (internal control) 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 the Livingston Economic Development 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 severe than a material weakness, yet important enough to merit attention by those charged with governance.

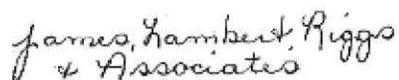
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

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



James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

June 5, 2019

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Schedule of Current Year Findings, Recommendations, and Responses
 For the Year Ended December 31, 2018

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Livingston Economic Development Council, Inc. as of and for the year ended December 31, 2018, and the related notes to the financial statements, which comprise the Livingston Economic Development Council, Inc.'s financial statements, and have issued our report thereon dated June 5, 2019. Our audit of the financial statements resulted in an unmodified opinion.

Section I Summary of Auditor's Reports

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

Internal Control:

| | | | | |
|--------------------------|-----|-----|-----|----|
| Material Weakness | ___ | Yes | _X_ | No |
| Significant Deficiencies | ___ | Yes | _X_ | No |

Compliance:

| | | | | |
|---|-----|-----|-----|----|
| Compliance Material to the Financial Statements | ___ | Yes | _X_ | No |
|---|-----|-----|-----|----|

2. Management Letter

| | | | | |
|---------------------------------|-----|-----|-----|----|
| Was a management letter issued? | ___ | Yes | _X_ | No |
|---------------------------------|-----|-----|-----|----|

Section II Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Prior Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2018

| <u>Ref. #</u> | <u>Fiscal Year Findings Initially Occurred</u> | <u>Description of Findings</u> | <u>Corrective Action Taken</u> | <u>Corrective Action Taken</u> |
|---------------|--|--------------------------------|--------------------------------|--------------------------------|
|---------------|--|--------------------------------|--------------------------------|--------------------------------|

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

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