GROW NORTHEAST LOUISIANA CORPORATION

MONROE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2026

GROW NORTHEAST LOUISIANA CORPORATION
MONROE, LOUISIANA
JUNE 30, 2026

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JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Grow Northeast Louisiana Corporation
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Grow Northeast Louisiana Corporation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2026, and the related statements of activities, functional expenses, and cash flows for the year ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grow Northeast Louisiana Corporation as of June 30, 2026, 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Grow Northeast Louisiana Corporation 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 Grow Northeast Louisiana Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the Grow Northeast Louisiana Corporation'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 Grow Northeast Louisiana Corporation'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.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedule I on page 16 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 October 14, 2026 on our consideration of the Grow Northeast Louisiana Corporation'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 the Grow Northeast Louisiana Corporation's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated October 14, 2026 on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Johnson Perry Roussel & Cuthbert LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
October 14, 2026

GROW NORTHEAST LOUISIANA CORPORATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2026

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total
Current Assets			
Cash and Cash Equivalents	$ 669,097	524,399	$ 1,193,496
Accounts Receivable	30,500	780,000	810,500
Grants Receivable	51,667	-	51,667
Total Current Assets	751,264	1,304,399	2,055,663
TOTAL ASSETS	$ 751,264	$ 1,304,399	$ 2,055,663

LIABILITIES & NET ASSETS

Current Liabilities			
Accounts Payable	$ 5,675	$ -	$ 5,675
Accrued Liabilities	15,875	-	15,875
Total Current Liabilities	21,550	- 0 -	21,550
Total Liabilities	21,550	-	21,550
Net Assets	729,714	1,304,399	2,034,113
TOTAL LIABILITIES AND NET ASSETS	$ 751,264	$ 1,304,399	$ 2,055,663

See Independent Auditors' Report and Accompanying Notes.

GROW NORTHEAST LOUISIANA CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contracts:			
Louisiana Dept of Economic Development	$ 1,227,527	$ -	$ 1,227,527
Membership Dues	460,750	-	460,750
Contributions	-	1,300,000	1,300,000
Donations	-	-	-
In Kind Donations	12,000	-	12,000
Interest Income	9,928	4,399	14,327
Other Income	175,483	-	175,483
Total Support and Revenue	1,885,688	1,304,399	3,190,087
Expenses			
Economic Development	1,695,372	-	1,695,372
Management and General	207,706	-	207,706
Total Expenses	1,903,078	-	1,903,078
Change in Net Assets	(17,390)	1,304,399	1,287,009
Net Assets at Beginning of Year	747,104	-	747,104
NET ASSETS AT END OF YEAR	$ 729,714	$ 1,304,399	$ 2,034,113

See Independent Auditors' Report and Accompanying Notes.

GROW NORTHEAST LOUISIANA CORPORATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2026

	Program Services	Supporting Services	
	Economic Development	Management and General	Total
Advertising - Promotional	$ -	$ -	$ -
Salaries and Wages	388,696	43,188	431,884
Fringe Benefits	79,222	8,803	88,025
General Office Supplies	21,645	21,645	43,290
Accounting Fees	-	34,445	34,445
Training and Conferences	13,310	13,311	26,621
Other Economic Development	514,396	-	514,396
Miscellaneous	22,067	2,452	24,519
Site Certification	38,450	-	38,450
Professional Services	503,130	55,903	559,033
Dues and Subscriptions	31,659	3,518	35,177
Tours and Meetings	17,147	17,146	34,293
Travel	50,170	5,575	55,745
Rent	15,480	1,720	17,200
Total Functional Expenses	$ 1,695,372	$ 207,706	$ 1,903,078

See Independent Auditors' Report and Accompanying Notes.

GROW NORTHEAST LOUISIANA CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2026

Cash Flows from Operating Activities:	
Change in Net Assets	**$ 1,287,009**
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in Accounts Receivable	**(780,500)**
(Increase) Decrease in Grants Receivable	**236,540**
Increase (Decrease) in Accounts Payable	**(37,687)**
Increase (Decrease) in Accrued Liabilities	**15,875**
Net Cash Provided by Operating Activities	**721,237**
Increase (Decrease) in Cash and Cash Equivalents	**721,237**
Cash and Cash Equivalents, Beginning of Year	**472,259**
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 1,193,496**
Supplemental disclosure of Cash Flow information:	
Cash Paid During the Year For Interest	**$ -**

See Independent Auditors' Report and Accompanying Notes.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Grow Northeast Louisiana Corporation (the Organization) is a non-profit organization whose membership consists of municipalities and economic development organizations located in Northeast Louisiana. The Organization's mission is to accelerate regional opportunities that create new and better jobs, expand the tax base, and generate more wealth for nearly 300,000 people throughout 10 parishes in Northeast Louisiana. The Organization is recognized as a tax-exempt (non-profit) organization under section 501(c)(3) of the Internal Revenue Service Code and is exempt from federal and state income taxes. A Board of Directors governs the Organization. The Board Members receive no compensation.

Method of Accounting

The financial statements have been prepared on the accrual method of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-for-Profit Organizations*.

Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization and the board of directors.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation (Continued)

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Grants Receivable

Grant receivables represent amounts that have been expensed for grant purposes and are to be reimbursed in full by the grantor and have been promised over the next twelve months.

Revenue Recognition

A portion of the Organization's revenue is derived from cost-reimbursable state contracts, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Membership dues which are nonrefundable, are comprised of an exchange element between the total dues paid and the exchange element. The Organization recognizes the exchange portion of member dues over the membership period, and the contribution portion immediately.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United Stated of America requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

Grow Northeast Louisiana Corporation is a nonprofit corporation exempted from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no material unrelated business income for the year ended June 30, 2026. The earliest income tax year that is subject to examination is 2021.

Advertising

The Organization expenses advertising costs as they are incurred. For the year ended June 30, 2026, advertising expense was immaterial.

Reserve for Bad Debts

Accounts receivable and grants receivable are reviewed by management for bad debts monthly and it has been determined that there is no requirement for an allowance for credit loss as of June 30, 2026.

Donated Services - Volunteers

No amounts have been reported in the financial statements for donated goods and services because no objective basis is available to measure the value of such services. Board members receive no compensation for services provided.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Fair value approximates carrying amounts.

Property and Equipment

Property and equipment having estimated useful lives greater than one year are recorded as cost of, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment.

Maintenance and repairs are charged to operations; significant improvements are capitalized. The cost and related accumulated depreciation of assets retired or otherwise disposed are eliminated from the accounts and the resulting gain or loss is included in income.

Certain property and equipment are restricted as to use and disposition by grant agreement and by contractual agreements.

Equipment	5-7 Years
Furniture and Fixtures	5-7 Years

Fair Value of Financial Instruments

The carrying amounts of cash, cash equivalents, accounts receivable, investments, and notes payable are reported in the statement of financial position at approximate fair values because of the short maturity of those instruments.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses.

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 - COMPENSATED ABSENCES:

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. These costs are not reflected in this report as the amounts are considered immaterial.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Organization's financial assets as of the statement of financial position date of June 30, 2026, 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.

Financial Assets at June 30, 2026	2,055,663
Less those unavailable for general expenditure within one year, due to:	
Donor Restrictions	1,304,399
Financial assets availability to meet cash needs for general expenditure, within one year	751,264

In addition to financial assets available to meet general expenditures over the year, the Organization anticipates covering its general expenditures using the income generated from membership dues and grant contracts earned in the next fiscal year.

NOTE 4 - CONCENTRATION OF CREDIT RISK:

All funds are in institutions insured by an agency of the federal government, the Federal Deposit Insurance Corporation. At various times during each year, the amount

NOTE 5 - CONTRIBUTED NONFINANCIAL ASSETS:

The Organization received the following contributions of nonfinancial assets for the year ended June 30, 2026:

Office Supplies	12,000

Contributed supplies received by the Organization are recorded as in-kind contribution revenue with a corresponding increase to office supplies expenses. Donated office supplies are valued based upon estimates of fair market values that would be received for selling similar goods in their principal market considering their condition. All contributed office supplies were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated items.

The Organization receives in-kind contributions of time and services from volunteers related to program services, special events, and fund-raising campaigns. Donated services are recognized as in-kind revenues at their estimated fair value if the services increase or enhance nonfinancial assets or require specialized skills that would need to be purchased it they were not donated. Donated services are reported using current rates for similar services.

No amounts have been recognized in the accompanying statements of activities for the year ended June 30, 2026 because the criteria for recognition have not been satisfied.

NOTE 6 - RELATED PARTIES:

Related Party transactions are as follows:

An organization board member owns MOEbiz, which the Organization uses for copier servicing. Fees paid to MOEbiz during the year ended June 30, 2026 were $12,000. There were no amounts due to MOEbiz at June 30, 2026.

NOTE 6 - RELATED PARTIES: (Continued)

An organization board member is a principal in PPM Consultants, Inc., which the Organization uses for environmental work. Fees paid to PPM Consultants, Inc. during the year ended June 30, 2026 was $6,000. There were no amounts due to PPM Consultants, Inc. at June 30, 2026.

NOTE 7 - RISK MANAGEMENT:

The Organization is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, and injuries to employees. To handle such risks of loss, the Organization carries insurance. The Organization dropped commercial insurance and now only has director's liability. No claims were paid for the year ending June 30, 2026.

NOTE 8 - ECONOMIC DEPENDENCY:

The Organization receives a substantial amount of its revenues from funds provided through grants or programs administered by the State of Louisiana. A significant reduction in the level of this support, if this were to occur, would affect the organization's programs and activities.

NOTE 9 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through October 14, 2026, which is the day the financial statements were available to be issued.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with donor restrictions consist of contributions (cash and pledges receivable) to support a Cooperative Endeavor Agreement with American Airlines to provide additional flights to Monroe Regional Airport.

SUPPLEMENTAL INFORMATION

GROW NORTHEAST LOUISIANA CORPORATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2026

AGENCY HEAD NAME/TITLE: ROB CLEVELAND, EXECUTIVE DIRECTOR

Purpose	Amount Paid
Salary	300,000
Benefits-insurance	36,420
Benefits-retirement	15,000
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	12,000
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	695
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other - Training	-0-

See Independent Auditors' Report and Accompanying Notes.

COMPLIANCE REPORT

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Directors
Grow Northeast Louisiana Corporation
Monroe, 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 the Grow Northeast Louisiana Corporation (a nonprofit organization) which comprise the statement of financial position as of June 30, 2026, 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 October 14, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Grow Northeast Louisiana Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grow Northeast Louisiana Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grow Northeast Louisiana Corporation'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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Grow Northeast Louisiana Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance 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 organizations internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
Monroe, Louisiana
October 14, 2026

GROW NORTHEAST LOUISIANA CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2026

Internal Control

There were no findings or questioned costs for the year ended June 30, 2026.

Compliance

There were no findings or questioned costs for the year ended June 30, 2026.

GROW NORTHEAST LOUISIANA CORPORATION
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2026

Internal Control

Not Applicable

Compliance

Not Applicable

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of Grow Northeast Louisiana Corporation and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2026. Grow Northeast Louisiana Corporation's management is responsible for those (C/C) areas identified in the SAUPs.

Grow Northeast Louisiana Corporation 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 year ended June 30, 2026. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. *Written Policies and Procedures*

A. Obtain and inspect the Organization's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

I) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

II) ***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.

III) ***Disbursements***, including processing, reviewing, and approving.

IV) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

V) ***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(s) rate of pay or approval and maintenance of pay rate schedules.

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

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

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

IX) ***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) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

X) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

XI) ***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.

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

Findings: The written policies do not include budgeting, payroll processing, approval process for rate of pay and maintenance of pay rate schedules, contracting, credit cards, travel reimbursements, informational technology disaster recovery/business continuity.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

2. Board or Finance Committee

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

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

II) For those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity related to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal year.

III) 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.

Findings: No exceptions noted.

3. Bank Reconciliations

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

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

II) 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 (e.g., initialed and dated, electronically logged); and

III) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months at the end of the statement closing date.

Findings: No exceptions noted.

4. Collections

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

Findings: We obtained the listing and management's representation.

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

I) Employees that are responsible for cash collections do not share cash drawers/registers.

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

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

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

Findings: No exceptions noted.

C. 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 enforced during the fiscal period.

Findings: No exceptions noted..

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

I) Observe that receipts are sequentially pre-numbered.

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

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

IV) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100).

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

Findings: No exceptions noted.

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

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

Findings: We obtained the listing of locations that process payments and management's representation.

B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

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

III) 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.

IV) 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.

V) 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.

Findings: The person responsible for processing payments also adds vendors to the vendor list.

Except as otherwise stated, no other exceptions were identified in the performance of the procedures listed above.

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

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

II) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Findings: No exceptions noted.

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, 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. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: No exceptions noted.

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

A. 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.

Findings: We obtained the listing and management's representation.

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

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

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

Findings: No exceptions noted.

C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe 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 (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: No exceptions noted.

D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C 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.

Findings: No exceptions noted.

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

A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each

selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

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

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

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

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

Findings: We obtained the general ledger and the Organization's travel and related expense reimbursements. We obtained management's representation.
No exceptions noted.

8. Contracts

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

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

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

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

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

Findings: We obtained a list of contracts and management's representations.

No exceptions noted.

9. Payroll and Personnel

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

Findings: We obtained a listing of employees and management's representation.

No exceptions were noted.

B. Randomly select one pay period during the fiscal period. For the 5 employees selected under #9A above, obtain attendance records and leave documentation for the pay period, and:

I) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

II) Observe that supervisors approved the attendance and leave of the selected employees.

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

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

Findings: No exceptions noted.

C. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees, 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 employees' cumulate leave records, and agree the pay rates to the employees' authorized

pay rates in the employees' personnel files, and agree the termination payment to entity policy.

Findings: We obtained a listing of terminated employees and management's representation.

No exceptions noted.

D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

10. Ethics (excluding nonprofits)

A. Using the five randomly selected employees from procedure #9A under "Payroll and Personnel" above, obtain ethics documentation from management and:

I) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

II) Observe that the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Findings: These procedures are not applicable to non-profit organizations.

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

Findings: This procedure is not applicable to non-profit organizations.

11. Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Findings: No exceptions noted.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt

covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: No exceptions noted.

12. Fraud Notice

A. 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.

Findings: No exceptions noted.

B. 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.

Findings: No exceptions noted.

Information Technology Disaster Recovery/Business Continuity

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

I) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

II) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

III) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and

observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

C. Using the 5 randomly selected employees/officials from Payroll and Personnel in procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:1267[4]. The requirements are as follows:

   I) Hired before June 9, 2020 - completed the training; and

   II) Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

Findings: We performed the procedure and discussed the results with management.

No exceptions noted.

13. Sexual Harassment

A. Using the 5 randomly selected employees/officials from procedure #9A 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.

B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

C. 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:

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

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

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

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

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

Findings: These procedures are not applicable to the non-profit.

We were engaged by Grow Northeast Louisiana Corporation 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 Grow Northeast Louisiana Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is included solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
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