

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

Livingston Economic Development Council, Inc.
Livingston, Louisiana
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December 31, 2017 and 2016

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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, 2017 and 2016, 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, 2017 and 2016, 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.

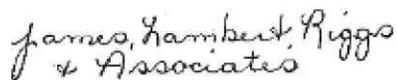
Other Matters

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 21, 2018, 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 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, Inc.
Hammond, Louisiana

June 21, 2018

Financial Statements

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Financial Position
December 31, 2017 and 2016

	2017	2016 (Restated)
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 640,401	\$ 624,690
Certificate of Deposit	390,160	388,017
Accounts Receivable	2,500	2,500
Lease Receivable	-	2,930
Total Current Assets	1,033,061	1,018,137
Non-Current Assets:		
Promises to Give, Net of Allowance of \$5,125 in 2017 and \$14,310 in 2016	97,375	179,165
Property and Equipment, Net of Accumulated Depreciation of \$30,981 and \$29,314 in 2017 and 2016	593,889	543,716
Total Non-Current Assets	691,264	722,881
Total Assets	\$ 1,724,325	\$ 1,741,018
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ -	\$ -
Deferred Revenue	20,030	15,295
Accrued Expenses	7,638	1,823
Total Liabilities	27,668	17,118
Net Assets:		
Temporarily Restricted	-	-
Unrestricted	1,696,657	1,723,900
Total Net Assets	1,696,657	1,723,900
Total Liabilities and Net Assets	\$ 1,724,325	\$ 1,741,018

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, 2017 and 2016

	2017	2016 (Restated)
Unrestricted Net Assets:		
Unrestricted Revenues:		
Hotel Occupancy Taxes	\$ 168,009	\$ 110,245
Livingston Tomorrow Pledges	136,300	134,375
Livingston Parish Investment	27,000	27,000
Membership Investments	39,254	30,149
Interest Earnings	2,444	1,376
Baton Rouge Area Chamber	-	9,875
Mortgage Finance Authority	30,000	30,000
Grant Income	29,119	-
Miscellaneous	4,623	8,616
Total Unrestricted Revenues	436,749	351,636
Expenses:		
Program Services	409,997	258,389
Supporting Activities:		
Management and General	47,475	69,071
Fundraising	6,520	14,310
Total Expenses	463,992	341,770
Increase (Decrease) in Unrestricted Net Assets	(27,243)	9,866
Net Assets - Beginning of the Year, Restated	1,723,900	1,714,034
Net Assets - End of the Year	\$ 1,696,657	\$ 1,723,900

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, 2017 and 2016

	December 31, 2017				December 31, 2016			
	Program Services	Supporting Activities			Program Services	Supporting Activities		
		Mgmt. and General	Fundraising	Total		Mgmt. and General	Fundraising	Total
Advertising & promotion	\$ 47,170	\$ -	\$ -	\$ 47,170	\$ 33,405	\$ -	\$ -	\$ 33,405
Auto	-	1,387	-	1,387	-	7,818	-	7,818
Bad debt expense	-	-	6,520	6,520	-	-	14,310	14,310
Conferences & seminars	9,574	-	-	9,574	10,306	-	-	10,306
Depreciation	1,667	-	-	1,667	1,723	-	-	1,723
Donations	103,000	-	-	103,000	-	-	-	-
Dues & subscriptions	3,308	-	-	3,308	2,358	-	-	2,358
Insurance	-	4,170	-	4,170	-	4,550	-	4,550
Miscellaneous	491	2,780	-	3,271	3,555	627	-	4,182
Office	-	9,267	-	9,267	-	7,472	-	7,472
Postage & freight	-	323	-	323	-	229	-	229
Professional fees	5,606	16,495	-	22,101	13,482	4,494	-	17,976
Rent	9,900	3,300	-	13,200	9,900	3,300	-	13,200
Repairs & maintenance	455	-	-	455	9,098	-	-	9,098
Salaries & benefits	228,826	9,093	-	237,919	174,562	39,591	-	214,153
Telephone	-	660	-	660	-	990	-	990
	<u>\$ 409,997</u>	<u>\$ 47,475</u>	<u>\$ 6,520</u>	<u>\$ 463,992</u>	<u>\$ 258,389</u>	<u>\$ 69,071</u>	<u>\$ 14,310</u>	<u>\$ 341,770</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, 2017 and 2016

	2017	2016 (Restated)
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ (27,243)	\$ 9,866
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,667	1,723
Interest earned on certificates of deposit	(2,144)	(1,127)
(Increase) / decrease in leases receivable	2,930	(2,930)
(Increase) / decrease in promises to give	81,790	30,935
Increase / (decrease) in deferred revenue	4,735	(9,038)
Increase / (decrease) in accrued expenses	5,815	(280)
Net cash provided by operating activities	67,550	29,149
Cash Flows from Investing Activities:		
Purchase / construction of fixed assets	(51,839)	-
Net cash used in investing activities	(51,839)	-
Net Increase in Cash and Cash Equivalents	15,711	29,149
Cash and Cash Equivalents - Beginning of the Year	624,690	595,541
Cash and Cash Equivalents - End of the Year	\$ 640,401	\$ 624,690
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -
Noncash Investing Activities:		
Interest earned on and reinvested in certificates of deposit	\$ 2,144	\$ 1,127

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, 2017 and 2016

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

LEDC follows FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, with regard to its financial statement presentation. Under ASC 958-210-45, LEDC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of December 31, 2017, LEDC had only unrestricted net assets.

The statements of activities and statements of functional expenses present expenses of LEDC’s operations functionally between program services, management & general, and fundraising. Those expenses which cannot be functionally categorized are allocated between functions based on management’s estimate of usage applicable to conducting those functions.

Additionally, LEDC is required to present a statement of cash flows.

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.

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

changes in donor commitments. The allowance for doubtful accounts for promises to give was \$5,125 and \$14,310 at December 31, 2017 and 2016, 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, 2017 and 2016, was \$-0- and \$14,310, 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. Contributions

LEDC follows ASC 958-605 for accounting for contributions received. Under ASC 958-605, contributions are recorded as restricted if they are received with donor stipulations that limit the use of the donation. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as temporarily restricted and as net assets released from restriction in the same reporting period.

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support which increases those net asset classes.

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, 2017 and 2016, 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 38.47% and 36.59% of total revenue, during 2017 and 2016, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

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. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LEDC.

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 \$47,170 and \$33,405 of advertising expenses during the years ended December 31, 2017 and 2016, 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, 2016.

LEDC's tax returns for the years ended December 31, 2016, December 31, 2015, and December 31, 2014, remain open and subject to examination by taxing authorities.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

N. 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, 2017 and 2016, consisted of the following:

	Balance <u>12/31/17</u>	Balance <u>12/31/16</u>
Bank Operating Accounts	\$ 438,987	\$ 375,898
Savings Account	<u>201,414</u>	<u>248,792</u>
	<u>\$ 640,401</u>	<u>\$ 624,690</u>

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, 2017 and 2016:

	Balance <u>12/31/17</u>	Balance <u>12/31/16</u>
Certificates of Deposit		
First Guaranty Bank	\$ 142,742	\$ 142,314
Hancock Bank	56,313	55,876
Whitney Bank	<u>191,105</u>	<u>189,827</u>
Total Certificates of Deposit	<u>\$ 390,160</u>	<u>\$ 388,017</u>

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2017 and 2016, is as follows:

	2017	2016
Land	\$ 563,892	\$ 512,052
Equipment and Other	60,978	60,978
	624,870	573,030
Less: Accumulated Depreciation	(30,981)	(29,314)
Total	\$ 593,889	\$ 543,716

For the years ended December 31, 2017 and 2016, depreciation expense was \$1,667 and \$1,723, 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, 2017:

	Quoted Prices in Active Markets for Identical Asset or Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Financial Assets:				
Cash & Cash Equivalents	\$ 640,401	\$ -	\$ -	\$ 640,401
Investment Securities	390,160	-	-	390,160

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 \$6,165 and \$6,055 for the years ended December 31, 2017 and 2016, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

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 is 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 a period of five years, beginning July 1, 2015 through June 30, 2020. Rent expense for leases for the years ended December 31, 2017 and 2016, was \$13,200 and \$13,200, respectively.

Annual rental commitments are as follows:

Years Ending December 31,		
2018	\$	13,200
2019		13,200
2020		<u>6,600</u>
Total Minimum Lease Payments	\$	<u>33,000</u>

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.

Unconditional promises to give consist of the following at December 31, 2017 and 2016:

	2017	2016 (Restated)
Receivable in less than one year	\$ 32,500	\$ 51,475
Receivable in one to five years	<u>70,000</u>	<u>142,000</u>
Total unconditional promises to give	102,500	193,475
Less allowance for doubtful accounts	<u>(5,125)</u>	<u>(14,310)</u>
Net unconditional promises to give	<u>\$ 97,375</u>	<u>\$ 179,165</u>

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2017 and 2016

9. Restatement of December 31, 2016, Financial Statements

As a result of audit procedures performed during the December 31, 2017, audit, additional Livingston Tomorrow pledges for the year ended December 31, 2016, were discovered, resulting in a material understatement of both pledge revenue and pledge receivables.

Additionally, a prior period change was made to the determination of Temporarily Restricted Net Assets amounts for Livingston Tomorrow pledges and other revenues.

The effects of the restatements of the December 31, 2016, financial statements are as follows:

	<u>Before</u> <u>Restatement</u>	<u>Adjustment</u>	<u>Restated</u>
Statement of Activities:			
Livingston Tomorrow Pledges	\$ 84,000	\$ 50,375	\$ 134,375
Total Unrestricted Revenues	217,261	134,375	351,636
Change in Temporarily Restricted Net Assets	84,000	(84,000)	-
Change in Net Assets	(40,509)	50,375	9,866
Net Assets - End of the Year	1,673,525	50,375	1,723,900
 Statement of Financial Position:			
Promises to Give	143,100	50,375	193,475
Temporarily Restricted Net Assets	397,100	(397,100)	-
Unrestricted Net Assets	1,276,425	447,475	1,723,900

10. Date of Management's Review

Subsequent events have been evaluated through June 21, 2018, which is the date the financial statements were available to be issued.

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, 2017

Agency Head: David Bennett, President

Purpose	Amount
Salary	\$ 78,432
Benefits - Insurance	-
Benefits - Retirement	-
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	-
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	-
Travel	-
Registration Fees	-
Conference Travel	-
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 78,432</u>

See auditor's report.

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

Dennis E. James, CPA
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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, 2017 and 2016, 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 21, 2018.

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.

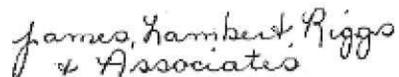
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did 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 21, 2018

Livingston Economic Development Council, Inc.
Livingston, Louisiana
 Schedule of Current Year Findings, Recommendations, and Responses
 For the Year Ended December 31, 2017

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, 2017, and the related notes to the financial statements, which comprise the Livingston Economic Development Council, Inc.'s financial statements, and have issued our issued our report thereon dated June 21, 2018. 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
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2. Management Letter

Was a management letter issued?	___	Yes	_X_	No
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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, 2017

<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>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

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