

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**

*Financial Statements  
For the Year Ended June 30, 2018*



**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Northeast Louisiana Economic Alliance, Inc.  
Winnsboro, Louisiana

I have reviewed the accompanying financial statements of Northeast Louisiana Economic Alliance, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

### **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.

### **Accountant's Responsibility**

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

### **Accountant's Conclusion**

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.



To the Board of Directors  
Northeast Louisiana Economic Alliance, Inc.  
Winnsboro, Louisiana

**Other Matters**

The accompanying schedule of compensation, reimbursements, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the basic financial statements. The information is the representation of management. I have reviewed the information and, based on my review, I am not aware of any material modifications that should be made to the information in order for it to be in accordance with accounting principles generally accepted in the United States of America. I have not audited the supplementary information and, accordingly, do not express an opinion on such information.

*Maxwell CPA, LLC*

Monroe, Louisiana  
May 20, 2019

**FINANCIAL STATEMENTS**

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

"See Independent Accountant's Review Report"

ASSETS

	<u>Unrestricted</u>	<u>Temporarily Restricted Loan Programs</u>	<u>Loan Programs</u>	<u>Total</u>
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 36,812	\$ -	\$ 34,825	\$ 71,637
Grants Receivable	18,881	-	-	18,881
Total Current Assets	<u>55,693</u>	<u>-</u>	<u>34,825</u>	<u>90,518</u>
<u>Noncurrent Assets</u>				
Certificates of Deposit	-	140,000	-	140,000
Other Assets	-	12,916	-	12,916
Capital Assets, net of accumulated depreciation	1,551	-	2,640	4,191
Total Non-Current Assets	<u>1,551</u>	<u>152,916</u>	<u>2,640</u>	<u>157,107</u>
<u>TOTAL ASSETS</u>	<u>\$ 57,244</u>	<u>\$ 152,916</u>	<u>\$ 37,465</u>	<u>\$ 247,625</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>				
Accounts, Salaries and Other Payables	\$ 57,587	\$ -	\$ -	\$ 57,587
Notes Payable - Current Portion	-	-	76,161	76,161
Total Current Liabilities	<u>57,587</u>	<u>-</u>	<u>76,161</u>	<u>133,748</u>
<u>Long-Term Liabilities</u>	<u>-</u>	<u>-</u>	<u>450,396</u>	<u>450,396</u>
<u>Total Liabilities</u>	<u>57,587</u>	<u>-</u>	<u>526,557</u>	<u>584,144</u>
<u>Net Assets (Deficit)</u>				
Unrestricted	(343)	-	(489,092)	(489,435)
Temporarily Restricted	-	152,916	-	152,916
Total Net Assets	<u>(343)</u>	<u>152,916</u>	<u>(489,092)</u>	<u>(336,519)</u>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 57,244</u>	<u>\$ 152,916</u>	<u>\$ 37,465</u>	<u>\$ 247,625</u>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

"See Independent Accountant's Review Report"

	<u>Unrestricted</u>	<u>Temporarily Restricted Loan Programs</u>	<u>Loan Programs</u>	<u>Total</u>
<u>Support and Revenue</u>				
Contracts:				
Louisiana Dept of Economic Development	\$ 225,580	\$ -	\$ -	\$ 225,580
Loan Interest Income	-	772	-	772
Membership Dues	49,000	-	-	49,000
Other Income	17,608	-	-	17,608
Net Assets Released from Restrictions	772	(100,772)	100,000	-
Total Support and Revenue	<u>292,960</u>	<u>(100,000)</u>	<u>100,000</u>	<u>292,960</u>
<u>Expenses and Loan Losses</u>				
Loan Programs	-	-	42,135	42,135
Economic Development	303,833	-	-	303,833
Total Programs	<u>303,833</u>	<u>-</u>	<u>42,135</u>	<u>345,968</u>
Management and General	<u>38,925</u>	<u>-</u>	<u>-</u>	<u>38,925</u>
<u>Total Expenses</u>	<u>342,758</u>	<u>-</u>	<u>42,135</u>	<u>384,893</u>
<u>Changes in Net Assets</u>	(49,798)	(100,000)	57,865	(91,933)
<u>Net Assets at Beginning of Year (Restated)</u>	<u>49,455</u>	<u>252,916</u>	<u>(546,957)</u>	<u>(244,586)</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ (343)</u>	<u>\$ 152,916</u>	<u>\$ (489,092)</u>	<u>\$ (336,519)</u>

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

"See Independent Accountant's Review Report"

	Program Services		Supporting Services	Total
	Loan	Economic Development	Management and General	
Advertising - Promotional	\$ -	\$ 9,625	\$ 1,070	\$ 10,695
Salaries and Wages	7,325	124,521	14,650	146,496
Fringe Benefits	2,211	37,589	4,422	44,222
General Office Supplies	-	2,685	298	2,983
Miscellaneous	-	1,838	204	2,042
Building Maintenance	-	2,520	280	2,800
Maintenance of Equipment	-	937	104	1,041
Insurance	-	2,241	249	2,490
Rent	-	8,206	912	9,118
Postage	-	874	97	971
Professional Services	32,599	96,078	14,297	142,974
Telephone	-	6,245	694	6,939
Depreciation	-	-	484	484
Dues and Subscriptions	-	103	12	115
Travel	-	10,371	1,152	11,523
Total Functional Expenses	\$ 42,135	\$ 303,833	\$ 38,925	\$ 384,893

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

"See Independent Accountant's Review Report"

Cash Flows from Operating Activities:	
Changes in Net Assets	\$ (91,933)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation	484
Increase in Grants Receivable	(18,881)
Decrease in Accounts, Salaries and Other Payables	<u>(13,826)</u>
Net Cash Provided (Used) by Operating Activities	(124,156)
 Cash Flows from Investing Activities:	
Decrease in Certificates of Deposit	100,000
 Cash Flows from Financing Activities:	
Principal Payments on Loans - Loan Program	<u>(66,271)</u>
 <u>Increase (Decrease) in Cash and Cash Equivalents</u>	(90,427)
 <u>Cash and Cash Equivalents, Beginning of Year</u>	<u>162,064</u>
 <u>CASH AND CASH EQUIVALENTS, END OF YEAR</u>	<u><u>\$ 71,637</u></u>
  Supplemental disclosure of Cash Flow information:	
Cash Paid During the Year For Interest	\$ 6,156

The accompanying notes are an integral part of this financial statement.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

A. Nature of Activities

Northeast Louisiana Economic Alliance, Inc. (the Alliance) is a non-profit organization whose membership consist of municipalities and economic development organizations located in Northeast Louisiana. The Alliance's mission is economic development, industrial recruitment and readiness, and job creation. The Alliance 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.

B. Basis of Accounting

The financial statements of the Alliance have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables and payables.

C. Use of Estimates

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

D. Basis of Accounting

The financial statements of Northeast Louisiana Economic Alliance, Inc. have been prepared on the accrual basis and, accordingly, reflect all significant receivables and payables.

E. Basis of Presentation

Net assets, revenues, gains, and losses are classified based on existence or absence of donor or grantor imposed restrictions. Accordingly, net assets 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 grantor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor or grantor-imposed restrictions. Some restrictions are temporary in nature, such as those that will be met with the passage of time or occurrence of other events. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates the 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. As of June 30, 2018, the Alliance does not have any restrictions that are perpetual in nature.

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Alliance considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note 1 - Summary of Significant Accounting Policies (continued)

G. Grants Receivable

Grants receivable 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.

H. 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.

Maintenances 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.

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

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limited their use, within one year of the balance sheet date, comprise of the following:

Cash and Cash Equivalents	\$ 36,812
Grants Receivable	<u>18,881</u>
Total Liquid and Available Assets	<u>\$ 55,693</u>

Note 3 - Cash and Cash Equivalents

The Alliance maintains its cash balances at several financial institutions located in Northeast Louisiana. The bank balances of \$91,429 are covered by Federal Deposit Insurance Corporation.

The Alliance also has a certificate of deposit. The certificate of deposit had a fair value of \$140,000 at June 30, 2018 and was not considered cash equivalent. The certificate of deposit is covered by FDIC insurance.

Note 4 - Income Taxes

Northeast Economic Alliance, Inc. 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, 2018. The earliest income tax year that is subject to examination is 2015.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note 5 – Property and Equipment

A summary of property and equipment and accumulated depreciation at June 30, 2018 is as follows:

	June 30, 2017			June 30, 2018
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
Equipment	\$ 212,774	\$ -	\$ -	\$ 212,774
Furniture and Fixtures	<u>20,631</u>	<u>-</u>	<u>-</u>	<u>20,631</u>
Total at Historical Cost	233,405	-	-	233,405
Less Accumulated Depreciation for:				
Equipment	( 208,099)	( 484)	-	( 208,583)
Furniture and Fixtures	<u>( 20,631)</u>	<u>( -)</u>	<u>-</u>	<u>( 20,631)</u>
Total Accumulated Depreciation	<u>( 228,730)</u>	<u>( 484)</u>	<u>-</u>	<u>( 229,214)</u>
<u>Property and Equipment, Net</u>	<u>\$ 4,675</u>	<u>\$ ( 484)</u>	<u>\$ -</u>	<u>\$ 4,191</u>

Depreciation expense for the year ended June 30, 2018 was \$484.

Note 6 - Temporarily Restricted Net Assets

Temporarily restricted net assets are available for re-lending and loan payments to USDA under the Intermediary Re-lending program. During the year ended June 30, 2018, \$100,772 in net assets were released from restriction by satisfying grantor restrictions and used to make loan payments to USDA.

Note 7 - Notes Payable – USDA Intermediary Re-Lending Program

The notes payable represents the balance due to USDA at June 30, 2018 under the Intermediary Re-Lending program. In accordance with the loan agreement, up to \$2,750,000 may be borrowed by the Alliance for re-lending purposes to business entities within its eleven parish operational area. The notes are collateralized by an assignment of security interest that is collateralized by personal and real property.

Under the terms of the loan agreement, interest of 1.00% is accrued on the outstanding balance. At June 30, 2018 the Alliance has notes payable of \$526,557 and makes principal and interest payments of \$81,372 annually.

The aggregate principal amounts scheduled for repayment is as follows:

Fiscal Year Ended	
<u>June 30,</u>	<u>Amount</u>
2019	76,161
2020	77,106
2021	78,053
2022	78,290
2022	79,077
Thereafter	<u>137,870</u>
TOTAL	<u>\$ 526,557</u>

Interest paid on the notes payable was \$6,156 for the year ending June 30, 2018.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note 8 - Employee Termination Benefits

Employees leaving the employment of Northeast Louisiana Economic Alliance, Inc. will be paid their unused annual leave, not to exceed 80 hours. Payment will be made on the employee's regular paycheck at the end of the month. Employees will not be paid for unused sick leave or personal leave upon termination of employment.

Note 9 - Risk Management

The Alliance 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 Alliance carries insurance with two insurance companies. The policies cover property, liability, crime and fidelity and employee liability. No claims were paid nor was there a significant reduction in coverage for the year ending June 30, 2018.

Note 10 - Economic Dependency

The Alliance receives a substantial amounts 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 11 - Going Concern

The USDA loan program has a balance payable of \$526,557 at June 30, 2018. The program is closed and all collateral has been claimed. The Alliance cannot use funds for economic development to make the payments and will eventually run out of money that is available to make the note payments. The Alliance is working with USDA towards a resolution.

Note 12 - Subsequent Events

Subsequent events have been evaluated through May 20, 2019, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

**OTHER SUPPLEMENTAL INFORMATION**

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**SCHEDULE OF COMPENSATION, BENEFITS,**  
**AND OTHER PAYMENTS TO AGENCY HEAD**  
**FOR THE YEAR ENDED JUNE 30, 2018**

"See Independent Accountant's Review Report"

**Agency Head**

Title

Tana Trichel  
Chief Executive Officer

**Purpose**

Salary	\$ 68,865
Benefits - Sick Pay	3,994
Benefits - Holiday Pay	3,727
Benefits - Vacation Pay	13,414
Insurance Reimbursement	3,317
<b>TOTAL</b>	<b>\$ 93,317</b>

**OTHER INFORMATION**



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

To the Board of Directors  
Northeast Louisiana Economic Alliance, Inc.

I have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Northeast Louisiana Economic Alliance, Inc. (the Alliance), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Alliance's compliance with certain laws and regulations during the year ended June 30, 2018, as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*. The Alliance's management is responsible for its financial records and compliance with applicable laws and regulations. The sufficiency of these procedures is solely the responsibility of the specified parties. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Obtain the list of federal, state, and local government grant award expenditures for the fiscal year, by grant and grant year, from the Agency's management.

*The Alliance provided me with the following list of expenditures made for state grant awards received during the fiscal year ended June 30, 2018.*

*Louisiana Economic Development  
Grant Year was July 1, 2017 – June 30, 2018  
CFDA No. was N/A  
Total Expenditures for the fiscal year was \$225,580*

2. For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

*I selected six disbursements for testing.*

3. Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

*Each of the selected disbursements agreed to the amount and payee in the supporting documentation.*



4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

*All disbursements appear to be coded to the correct general ledger account.*

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

*The Alliance's policy is for the executive director to approve all disbursements. Each of the selected disbursement's included the signature of the executive director.*

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

*Each of the selected disbursement's appeared to be in compliance with the grant agreement.*

7. Obtain the close-out reports, if required, for any program selected in procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

*Not applicable.*

#### Open Meetings

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

*Management represented that the Alliance is only required to post a notice of each meeting and the accompanying agenda on the door of the of the Alliance's office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management's assertion.*

#### Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

*The Alliance provided the comprehensive budgets which included the purpose and duration of the grant program.*

Northeast Louisiana Economic Alliance, Inc.  
May 20, 2019

State Audit Law

10. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

*The Alliance report was not submitted by the statutory due date of December 31, 2018.*

11. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

*The Alliance's management represented that no contracts were entered into during the fiscal year that were subject to the public bid law.*

Prior-Year Comments

12. Obtain and report management's representation as to whether any prior year suggestions, exceptions, recommendations, and/or comments have been resolved.

*Not applicable.*

This agreed-upon procedures engagement was conducted 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*, issued by the United States Comptroller General. I was not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Alliance's compliance with the foregoing matters. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on the Alliance's compliance with certain laws and regulations contained in the accompanying Louisiana Attestation Questionnaire, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, 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 Louisiana Legislative Auditor as a public document.

*Maxwell CPA, LLC*

Monroe, Louisiana  
May 20, 2019

**ATTACHMENTS:  
SIGNED LOUISIANA ATTESTATION QUESTIONNAIRE**

**LOUISIANA ATTESTATION QUESTIONNAIRE**  
**(For Attestation Engagements of Quasi-public Agencies)**

May 20, 2019

Maxwell CPA, LLC  
8649 Hwy 165 N, STE 2  
Monroe, LA 71203

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2018 and for the year then ended, and as required by Louisiana Revised Statute (R.S) 24:513 and the *Louisiana Governmental Audit* Guide, we make the following representations to you.

**Federal, State, and Local Awards**

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [ X ] No [ ]

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [ X ] No [ ]

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [ X ] No [ ]

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [ X ] No [ ]

**Open Meetings**

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication “[Open Meeting FAQs](#),” available on the Legislative Auditor’s website to determine whether a non-profit agency is subject to the open meetings law.**

*Management represented that the Alliance is only required to post a notice of each meeting and the accompanying agenda on the door of the Alliance’s office building. Although management has asserted that such documents were properly posted, no evidence was provided to support management’s assertion.*

Yes [ X ] No [ ]

**Budget**

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Yes [ X ] No [ ]

**Reporting**

We have had our financial statements reviewed in accordance with R.S. 24:513.  
**Prior-Year Comments**

We have resolved all prior-year recommendations and/or comments.

Yes [ X ] No [ ]

**General**

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [ X ] No [ ]

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [ X ] No [ ]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [ X ] No [ ]

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [ X ] No [ ]

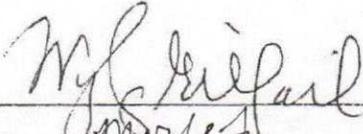
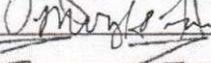
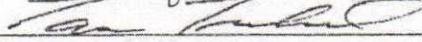
We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [ X ] No [ ]

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [ X ] No [ ]

The previous responses have been made to the best of our belief and knowledge.

Secretary 5-20-19 Date  
5/20/2019

Treasurer \_\_\_\_\_ Date

President 4-29-19 Date

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**2018-01      Inadequate Segregation of Accounting Duties**

Criteria:

Duties should be distributed among employees.

Condition:

Inadequate segregation of duties.

Cause:

The Alliance has a small work force in place for handling the duties of the office personnel.

Potential Effect:

Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of a strong management team and the board.

Recommendation:

Establish guidelines for the Board of Directors on a rotating basis to closely monitor financial reports. Furthermore, bank statements and bank reconciliations should be reviewed by the board each month.

Management's Response and Corrective Action Plan:

The Alliance has an accounting workload that can be easily managed by a small staff. It is not economically feasible to correct this deficiency based on the size of the organization. However, the board will review and monitor reports, bank statements and bank reconciliations as suggested.

**NORTHEAST LOUISIANA ECONOMIC ALLIANCE, INC.**  
**WINNSBORO, LOUISIANA**  
**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**2017-01      Inadequate Segregation of Accounting Duties**

Condition Found:

Inadequate segregation of duties.

Effect:

Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of a strong management team and the board.

Recommendation to Prevent Future Occurrences:

Hire more employees and redistribute duties.

Current Status:

The finding was repeated as finding 2018-01.