SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, LA

Independent Accountant's Review Report and Financial Statements

For the Year Ended December 31, 2018

T.S. KEARNS & CO. CPA

(A Professional Corporation)
164 West Main Street, Thibodaux, LA 70301
South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com

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Thibodaux, Louisiana

Independent Accountant's Review Report on Financial Statements
As of and for the year ended December 31, 2018

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T.S. KEARNS & CO. CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

Report on the Financial Statements

We have reviewed the accompanying financial statements of South Louisiana Economic Council, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities 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, we 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

Our 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 us to perform procedures to obtain limited assurance as a basis for reporting whether we are 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. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are 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.

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

T.S. Kearns & Co., CPA, PC
(A Professional Corporation)
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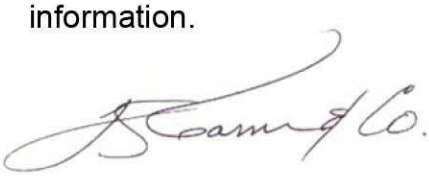
BRANDY I. KEARNS
CERTIFIED IN FINANCIAL FORENSICS
CERTIFIED PUBLIC ACCOUNTANT

Supplementary Information

The supplementary information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic 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 supplemental information has been subjected to the review procedures applied in our review of the basic financial statements. We are 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. We have not audited the information and, accordingly, do not express an opinion on such information.



T.S. Kearns & Co., CPA
Thibodaux, Louisiana
June 28, 2019

SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Statement of Financial Position
December 31, 2018

ASSETS

CURRENT ASSETS:		
Cash and cash equivalents	$	189,729
Grant and contracts receivable		38,675
Prepaid expenses		10,000
Investment in cooperative endeavor agreement		36,487
TOTAL CURRENT ASSETS		274,891
PROPERTY AND EQUIPMENT:		
Furniture & equipment		109,119
Building improvements		18,112
Accumulated depreciation		(100,780)
TOTAL PROPERTY & EQUIPMENT		26,451
OTHER ASSETS:		
Investment in cooperative endeavor agreement		309,796
TOTAL OTHER ASSETS		309,796
TOTAL ASSETS	$	611,138

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Bank overdrafts	$	13,284
Other accrued liabilities		489
Accounts payable		8,808
Line of credit		202,621
Deferred revenue		10,000
TOTAL CURRENT LIABILITIES		235,202
NET ASSETS:		
Net assets without donor restrictions (deficit)		(69,188)
Net assets with donor restrictions		445,124
TOTAL NET ASSETS		375,936
TOTAL LIABILITIES & NET ASSETS	$	611,138

See accompanying notes and accountant's report.

SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Statement of Activities
For the Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT:			
Governmental grants and local industry contracts	$ -	$ 416,292	$ 416,292
Sponsorships	-	87,500	87,500
BP Settlement	4,216		4,216
Donations	30,000		30,000
Interest income	38		38
Other income	9,256		9,256
Satisfaction of restrictions	524,369	(524,369)	-
Total revenue and other support	567,879	(20,577)	547,302
EXPENSES:			
Program services:			
Economic development programs	427,836		427,836
Support services:			
General and administrative	100,306		100,306
Total expenses	528,142		528,142
INCREASE (DECREASE) IN NET ASSETS	39,736	(20,577)	19,159
NET ASSETS, BEGINNING	(108,925)	465,701	356,776
NET ASSETS, END OF YEAR	$ (69,188)	$ 445,124	$ 375,936

See accompanying notes and accountant's report.

SOUTH LOUISIANA ECONOMIC COUNCIL INC.

Statement of Cash Flows

For the Year Ended December 31, 2018

Cash flows from operating activities	
Increase (decrease) in net assets	$ 19,159
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:	
Depreciation and amortization	(18,034)
Changes in assets and liabilities:	
(Increase) decrease in grants and contracts receivable	(14,068)
(Increase) decrease in prepaid expenses	-
Increase (decrease) in accounts payable	(5,461)
Increase (decrease) in other accrued liabilities	(575)
Increase (decrease) in deferred revenue	10,000
Net cash provided (used) by operating activities	$ (8,979)
Cash flows from investing activities	
Investments in cooperative endeavor agreement	36,487
Net cash provided (used) in investing activities	$ 36,487
Cash flows from financing activities	
Principal paid on line of credit	-
Net cash provided (used) in financing activities	-
Net increase (decrease) in cash and cash equivalents	27,508
Cash and cash equivalents	
Beginning of year:	
Coastal Commerce - General	5,705
Coastal Commerce - Money Market	2,367
Coastal Commerce - Public Funds	4,651
Coastal Commerce - Special Projects	4,309
Coastal Commerce - Washington Fund	42,074
Coastal Commerce - GEST Project	84,831
Undeposited funds	5,000
Total cash and equivalents at beginning of year	$ 148,937
End of year:	
Coastal Commerce - General	(13,284)
Coastal Commerce - Money Market	45,252
Coastal Commerce - Public Funds	372
Community Bank - Special Projects	15,910
Coastal Commerce - Washington Fund	47,666
Coastal Commerce - GEST Project	78,029
Undeposited funds	2,500
Total cash and equivalents at end of year	$ 176,445

See accompanying notes and accountant's report.

INTRODUCTION

The South Louisiana Economic Council, Inc. (the Council), a non-profit corporation, was organized on March 16, 1984, to encourage economic development in the four parish area of Assumption, Lafourche, St. Mary, and Terrebonne. The purpose of the Council is to organize and charter for the purpose of furthering the economic development of the South Central Louisiana area and its environs, and promoting and assisting the growth and development of industry and business concerns, including small business concerns, in the area.

NOTE I SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed are described to enhance the usefulness of the financial statements to the reader. The financial statements of the South Louisiana Economic Council, Inc. (a nonprofit organization) have been prepared on the accrual basis; therefore, certain revenues and the related assets are recognized when awarded rather than when received and certain expenses are recognized when the obligation is incurred rather than when paid. These policies have been consistently applied in the preparation of the financial statements. The corporation has no capital stock.

A. BASIS OF PRESENTATION

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP), which require the Foundation 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 Council's management and the board of directors. The revenues received and expenses incurred in conducting the mission of the Council are included in this category. The Council has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Council, and therefore, the Council's policy is to record these net assets as without donor restrictions.

- 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 Council or by the passage of time. Other donor restrictions are perpetual in nature, where by 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 Statements of Activities.

B. USE OF ESTIMATES

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

C. CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Council considers all highly liquid debt instruments purchased with an original maturity of ninety days or less to be cash equivalents. There were no cash equivalents at year-end.

D. RECEIVABLES

The Council considers all receivables to be collectible; therefore, no allowance has been established for doubtful accounts. If uncollectible amounts are identified, necessary adjustments are made when information becomes available. These amounts are not considered to be material to the financial statements.

E. PROPERTY AND EQUIPMENT

Property and equipment purchased with an original cost of $500 or more are reported at historical cost. Donations of property and equipment are recorded as support at their estimated fair value as of the date received. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

Equipment & furniture	3-7 years
Building improvements	10 years

F. REVENUE RECOGNITION

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Grant revenue is recognized as it is earned in accordance with approved contracts.

G. DEFERRED REVENUES

Service fees collected in advance of the period in which the services relate are deferred and recognized as contract support over the related period of service.

H. ADVERTISING

Advertising costs are expensed when incurred, except for direct-response advertising. The cost of direct-response advertising are capitalized and amortized over the period which future benefits are expected to be received. There were no direct-response advertising costs incurred during the year.

I. INCOME TAX STATUS

South Louisiana Economic Council, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes is made in the financial statements. South Louisiana Economic Council, Inc. is no longer subject to U.S. Federal tax examination for years prior to the 2015 tax year.

J. NATURE OF ACTIVITIES

The Council was created to spur economic growth by encouraging and facilitating existing local industry to expand and to entice industry from out-of-state to locate in the region. The Council also acts as coordinator for various economic and workforce development activities and programs in the area. The Council is supported primarily through unrestricted grants from the local governments within the four-parish areas it serves, grants from the state government of Louisiana and by unrestricted support received from local private industry.

K. VACATION AND SICK LEAVE

Vacation hours do not carryover to future years. Sick leave does carryover; however, any accumulated sick leave is not payable to employees upon termination. Therefore, vacation and sick leave is not accrued.

All full time employees earn one day of sick leave per month employed. Sick leave may be accumulated and carried forward from year to year up to a maximum of 240 hours.

L. SUBSEQUENT EVENTS

The subsequent events of the organization were evaluated through the date of the financial statements were available to be issued (June 28, 2019).

NOTE II – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

For the year ended December 31, 2018, the Council adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities.* This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in these financial statements. Amounts previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets, if applicable, are now reported as net assets with donor restrictions.

NOTE III CASH AND CASH EQUIVALENTS

At December 31, 2018, the Council has cash and cash equivalents (book balances) totaling $176,445 of demand deposits. These deposits are stated at cost, which approximates market. Bank overdrafts of $13,284 are reported as a current liability.

NOTE IV CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned. The Council does not have a policy for credit risk. At December 31, 2018, the Council had $198,814 in deposits (collected) bank balance. At December 31, 2018, all deposits were secured by the Federal Deposit Insurance Corporation (FDIC).

NOTE V GRANT AND CONTRACT RECEIVABLES

The following grant and contract receivables were accrued at December 31, 2018:

Department of Economic Development (LED)	$31,058
Other	3,981
Lafourche Chamber of Commerce	3,353
Gulf Economic Survival Team	227
LA 1	37
Restore or Retreat	19
Total	$ 38,675

NOTE VI PROPERTY AND EQUIPMENT

Capital asset activity for the year ended December 31, 2018 was as follows:

	Balance at 12/31/2017	Additions	Deletions	Balance at 12/31/2018
Capital assets being depreciated:				
Building improvements	$ 18,112	-	-	$ 18,112
Furniture and fixtures	56,266	9,106	-	65,371
Machinery and equipment	32,748	11,000	-	43,748
Total capital assets being depreciated	107,126	20,106	-	127,231
Less: accumulated depreciation	(98,709)	(2,072)	-	(100,780)
Total capital assets, net	$ 8,417	$ 18,034	$ -	$ 26,451

Depreciation expense for the year was $2,072.

NOTE VII INVESTMENT IN COOPERATIVE ENDEAVOR AGREEMENT

On August 29, 2011, South Louisiana Economic Council, Inc. entered into a cooperative endeavor agreement with Nicholls State University of Thibodaux, Louisiana for payments of the design, construction, renovation and improvements of the facility the Council occupies on the campus of Nicholls State University. This agreement is for a term of twenty years, beginning on September 15, 2011, and ending on September 14, 2031. Lease payments were waived until the annual lease payments equaled the sum of the investment. Occupancy began in 2013. The Council is required to make lease payments of $3,041 per month or $36,487 annually. The Council has incurred $543,919 for the design and construction cost of the investment in the cooperative endeavor agreement, which exceeded the required minimum approved by Nicholls State University. The Council anticipates offsetting rental payments against its investment from the date of occupancy

through 2028 thereafter monthly rental payments are required by the agreement. Additional investments made by the Council could result in amending the agreement to change the rental rate or length of time of the agreement.

At December 31, 2018, the Council has a reported balance of $309,796 of investment in cooperative endeavor agreement with Nicholls State University.

NOTE VIII LINE OF CREDIT

A summary of the changes in the line of credit the Council maintains through Pedestal Bank are as follows:

Line of Credit balance at December 31, 2017:	$202,621
Additions	-0-
Reductions	-0-
Line of Credit balance at December 31, 2018:	$202,621

Interest expense on line of credit for the year was $14,621.

NOTE IX DEFFERED COMPENSATION PLAN

Employees of the Council have the option to participate in a deferred compensation program as defined by Internal Revenue Code Section 403(b) (tax sheltered annuities). The Council has the responsibility for withholding and remitting contributions from participants to the plan. There is no matching contribution requirement for the Council. An insurance company serves as administrator and has the responsibility for maintaining a deferred account with respect to each participant, investing the participant's account in accordance with the participant's investment specifications and reporting annually to the participant and the Company on the status of the plan.

NOTE X NET ASSETS WITH DONOR RESTRICTIONS

Changes to net assets with donor restrictions consist of the following for the year ended December 31, 2018:

	Beginning	Additions	Releases	Ending
Investment in cooperative endeavor agreement	$ 382,770	$ -	$ (36,487)	$ 346,283
Washington D.C. Mardi Gras	58,323	87,500	(85,657)	60,166
Grant and contracts receivable	24,607	38,675	(24,607)	38,675
	$ 465,700	$ 126,175	$(146,751)	$ 445,124

Additions to net assets with donor restrictions are government grants and donations restricted to specified purposes or time sensitive use of the asset.

NOTE XI SUPPORT AND REVENUE

The Council receives funding primarily through grants and contracts from state and local governments, not-for-profit corporations, sponsorships for economic development and training seminars and service fees.

Grants and contract revenues were recognized from the following sources during the year ended December 31, 2018:

State of Louisiana	
Department of Economic Development (LED)	$ 259,703
St. Mary Parish	25,000
Lafourche Parish	15,000
Greater Lafourche Port Commission	42,500
Other	74,089
Total	$ 416,292

NOTE XII ECONOMIC DEPENDENCE

The Council receives majority of its funding from a small number of sources. If one would withdraw from funding the Council, the Council would not be able to sustain operations as it is presently structured.

NOTE XIII RELATED PARTIES

The Council entered into an agreement to provide administrative, secretarial, support, and payroll services, to the LA 1 Coalition, a not for profit entity whose mission is to improve the condition of Louisiana Highway 1 in lower Lafourche Parish to Port Fourchon, which is an issue management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries, related payroll taxes and benefits, and office supplies after each pay period amounting to $139,584 in 2018. The Council also received $10,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2018. As of December 31, 2018, $37 is due for payroll taxes and office expenses on behalf of LA 1 Coalition.

The Council also entered into an agreement to provide administrative, secretarial, support, and payroll services, to Restore or Retreat, Incorporated, a not for profit entity whose mission is to seek to identify and expedite the implementation of aggressive, large-scale restoration projects to protect the Barataria and Terrebonne basins, which is an issue

management believes is related to the economic success and viability of the region. The Council is reimbursed for salaries, related payroll taxes and benefits, and office expenses amounting to $154,130 in 2018. The Council also received $10,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2018. At December 31, 2018, $19 is due from Restore or Retreat for various expenses.

The Council also entered into an agreement to provide administrative, secretarial, support, and payroll services, to The Lafourche Chamber of Commerce a not for profit entity to strengthen the business climate and the quality of life of Lafourche Parish, Grand Isle, and the Bayou Region, which is an issue management believes is related to the economic success and viability of the region. The Council also received $1,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2018. The Council is reimbursed for salaries and related payroll taxes after each pay period amounting to $63,421 in 2018. At December 31, 2018, $3,353 is due from Lafourche Chamber of Commerce for various expenses.

During the year ending December 31, 2010, the Council entered into an agreement to provide administrative, secretarial, and support services to the Gulf Economic Survival Team, Incorporated, a not for profit entity whose mission is an organization that promotes the significance of Gulf of Mexico energy production to the U.S. economy, which is an issue management believes is related to the economic success and viability of the region. The Council received $5,000 as compensation for unreimbursed time and expenses during the year ended December 31, 2018. The Council was also reimbursed for office expenses amounting to $1,118 in 2018.

NOTE XIV LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

South Louisiana Economic Council, Inc. has $215,120 of financial assets available within one year of the balance sheet date to meet the cash needs for general expenditures consisting of cash of $176,445 and receivables of $38,675. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The receivables are expected to be collected within one year. The Council has a goal to maintain financial assets, which consists of cash and receivables, on hand to meet 60 days of normal operating expenses, which are, on average, approximately $85,000.

NOTE XV LITIGATION AND CLAIMS

At December 31, 2018, South Louisiana Economic Council, Inc. had no litigation or claims pending.

Schedule 1

SOUTH LOUISIANA ECONOMIC COUNCIL INC.

Statement of Functional Expenses

For the Year Ended December 31, 2018

	PROGRAM SERVICES	SUPPORT SERVICES	
	Economic Development Programs	General and Administrative	Total Expenses
Automobile expenses	$ 385	$ -	$ 385
Bank Charges	-	243	243
Depreciation Expense	2,072	-	2,072
Dues and subscriptions	15,069	-	15,069
Grant Expense	32,500	-	32,500
Insurance	13,225	16,492	29,717
Interest Expense	14,740	-	14,740
Lease	-	524	524
Meeting	-	3,348	3,348
Miscellaneous	-	396	396
Office Expenses	-	26,132	26,132
Payroll Taxes	7,015	2,825	9,840
Postage	947	-	947
Printing	1,019	-	1,019
Professional Fees	89,764	6,691	96,455
Salaries	105,201	43,655	148,856
Sponsorship	3,000	-	3,000
Telephone	1,742	-	1,742
Travel	20,262	-	20,262
Amortization of prepaid rent	36,487	-	36,487
Washington Mardi Gras	84,408	-	84,408
TOTAL	$ 427,836	$ 100,306	$ 528,142

SOUTH LOUISIANA ECONOMIC COUNCIL INC.
Thibodaux, Louisiana

Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer

As of and for the Year Ended December 31, 2018

Agency Head Name: Victor Lafont

Purpose	Amount
Salary	$94,105
Benefits-insurance	9,743
Benefits-retirement	0
Benefits-other	0
Car allowance	9,401
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	6,903
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses*	0
Meals	3,958

Other Reports

Independent Accountant's Report
on Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the management of the South Louisiana Economic Council, Inc. (SLEC) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about SLEC's compliance with certain laws, regulations and best practices during the year ended December 31, 2018. SLEC's management is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the America Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described 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.

   Obtained a list of grant award expenditures for the fiscal year.

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.

   Selected six disbursements, or all disbursements if total was less than six, from each grant administered during the fiscal year.

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.

   Compared the selected disbursements to supporting documentation. All disbursements agree 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 were coded to the correct fund and general ledger account.

TIMOTHY S. KEARNS
MASTER OF BUSINESS ADMINISTRATION
CERTIFIED PUBLIC ACCOUNTANT

T.S. Kearns & Co., CPA, PC
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BRANDY I. KEARNS
CERTIFIED IN FINANCIAL FORENSICS
CERTIFIED PUBLIC ACCOUNTANT

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

   The Policy states that "all purchases require a purchase requisition to be approved by the office manager and or President/CEO prior to purchase. The purchase requisition approval form must be completed and submitted to the office manager for processing."

   Five of the eleven disbursements tested were not properly approved in accordance with the Agency's policies and procedures.

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.

   No exceptions.

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.

   No exceptions.

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.
   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 at https://app.lla.state.la.us/llala.nsf/BAADB2991272084786257AB8006EE827/$FILE/Open%20Meetings%20Law%20FAQ.pdf, to determine whether a non-profit agency is subject to the open meetings law.

   The open meetings laws do not apply to this agency.

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.

   No exceptions.

State Audit Law

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

    No exception. The agency provided for a timely report in accordance with R.S. 24:513.

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 agency did not enter into any contracts which were subject to the public bid law.

Prior-Year Comments

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

    Not applicable.

Managements Response: SLEC's management agrees with all exceptions and will continue to work to improve processes to ensure effective and efficient handling of all transactions.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed the additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the South Louisiana Economic Council and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute RV:513, this report is distributed by the Legislative Auditor as a public document.

T.S. Kearns & Co., CPA
June 28, 2019

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

June 18, 2019

T.S. Kearns & Co., CPA
164 W Main Street
Thibodaux, LA 70301

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of December 31, 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.**

NA Yes [ ] 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.

Yes [X] No [ ]

We did not enter 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).

Yes [X] No [ ]

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [X] No [ ]

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.

_____ Sec/Treas 6/28/19 Date SIGN HERE

SOUTH LOUISIANA ECONOMIC COUNCIL, INC.
Thibodaux, Louisiana

Corrective Action Plan for Prior and Current Year Findings
For the Year Ended December 31, 2018

Prior Year Findings

There were no prior year findings reported.

Current Year Findings

There are no current year findings required to be reported.