RESEARCH PARK CORPORATION

Audits of Financial Statements

December 31, 2022 and 2021

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

Independent Auditor's Report

To the Board of Directors
Research Park Corporation
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Research Park Corporation (the Corporation) which comprise the statements of net position as of December 31, 2022 and 2021, the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2022 and 2021, and changes in its financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 9 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head or chief executive officer, as required by Louisiana Revised Statute (R.S.) 24:513 A(3) is presented for the purpose 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 28, 2023, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Corporation'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 Corporation's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
June 28, 2023

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of Research Park Corporation's (the Corporation) financial performance presents a narrative overview and analysis of Research Park Corporation's financial activities for the years ended December 31, 2022 and 2021. This document focuses on the current year's activity, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the financial statements, which begins on page 10.

FINANCIAL HIGHLIGHTS

2022

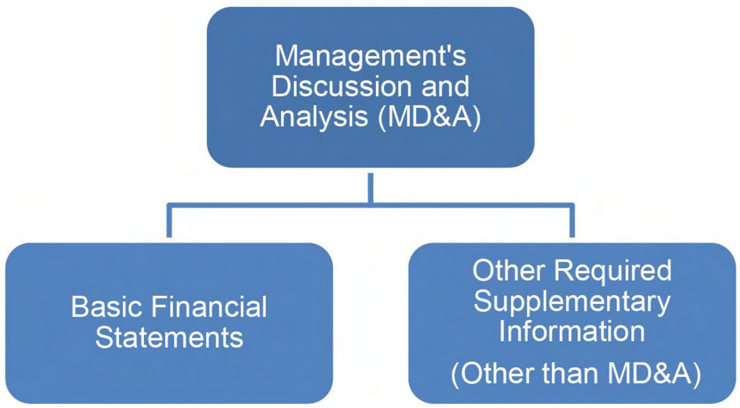
The Corporation's assets exceed its liabilities (net position) at the close of fiscal year 2021 by $18,259,620, which represents a 21% decrease in net position from the prior fiscal year. The Corporation experienced operating losses of $2,068,782 in 2022. The Corporation had investment losses of $4,439,735 for the year. Capital assets also decreased by 12% as the Corporation depreciated existing assets and disposed of out of service assets. The Corporation's main assets are a mix of capital assets of $181,603, promissory note from Bon Carre' Business Center, LLC (BCBC) of $1,700,002, and liquid assets of $15,809,565, which consist primarily of investments in securities and cash.

2021

The Corporation's assets exceed its liabilities (net position) at the close of fiscal year 2021 by $23,026,562, which represents a 10% increase in net position from the prior fiscal year. The Corporation experienced operating losses of $2,020,584 in 2021. The Corporation had investment gains of $2,242,796 for the year. Capital assets also decreased by 18% as the Corporation depreciated existing assets and disposed of out of service assets. The Corporation's main assets are a mix of capital assets of $205,224, promissory note from Bon Carre' Business Center, LLC of $3,251,498, and liquid assets of $19,096,965, which consist primarily of investments in securities and cash.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of two sections - Management's Discussion and Analysis (this section) and the financial statements (including the notes to the financial statements).

Basic Financial Statements

The financial statements present information for Research Park Corporation as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statements of Net Position; the Statements of Revenues, Expenses and Changes in Net Position; and the Statements of Cash Flows.

The "Statements of Net Position" (page 10) present a summary of assets and liabilities with totals of each. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The "Statements of Revenues, Expenses, and Changes in Net Position" (pages 11 - 12) present information which shows how the Corporation's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The "Statements of Cash Flows" (pages 13 - 14) present information showing how the Corporation's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE CORPORATION

Condensed Statements of Net Position
December 31, 2022, 2021, and 2020

	2022	2021	2020
Current Assets	**$ 1,687,860**	$ 1,417,108	$ 896,490
Investments	**16,542,565**	21,839,471	20,231,561
Capital Assets	**181,603**	205,224	250,834
Other Assets	**176,935**	530,805	-
Total Assets	**18,588,963**	23,992,608	21,378,885
Liabilities	**329,343**	966,046	357,784
Total Net Position	**$ 18,259,620**	$ 23,026,562	$ 21,021,101

All of the assets of the Corporation are unrestricted as to their specific use; that is, they can be used for any lawful purpose consistent with the by-laws and articles of incorporation. Capital assets decreased 12% in 2022, as the Corporation continued to depreciate existing assets and dispose of obsolete and inoperative assets. Liabilities decreased 34% in 2022 due to a decrease in the operating lease liability.

Condensed Statements of Revenues, Expenses, and Changes in Net Position For the Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Operating Revenues	**$ 622,158**	$ 517,705	$ 484,345
Operating Expenses	**2,690,940**	2,538,289	2,542,221
Operating Loss	**(2,068,782)**	(2,020,584)	(2,057,876)
Non-Operating Revenues (Expenses)			
Tax Revenue - Cooperative Endeavor 2020	**-**	-	299,380
Tax Revenue - Cooperative Endeavor 2021	**-**	697,012	539,019
Tax Revenue - Cooperative Endeavor 2022	**539,687**	748,249	-
Tax Revenue - Cooperative Endeavor 2023	**986,162**	-	-
Investment (Loss) Income , Net of Fees	**(2,888,659)**	2,242,796	2,054,821
Other Income	**(1,335,350)**	337,988	-
Total Non-Operating Revenues, Net	**(2,698,160)**	4,026,045	2,893,220
Change in Net Position	**$ (4,766,942)**	$ 2,005,461	$ 835,344

2022

Operating revenues consist of income received from incubator clients, grant and sponsorship income, and program income. For the year ended December 31, 2022, operating revenues increased 20%. Operating expenses increased 6%. Non-operating revenues decreased $6,724,205 due to unfavorable market conditions that significantly decreased the Corporation's investment income and write-off of the BCBC note receivable.

2021

Operating revenues consist of income received from incubator clients, grant and sponsorship income, and program income. For the year ended December 31, 2021, operating revenues increased 7%. Operating expenses decreased slightly. Non-operating revenues increased $1,132,825 due to favorable market conditions that slightly increased the Corporation's investment income, increased receipt of tax revenue, and the recognition of the forgiven Paycheck Protection Program (PPP) loan.

CAPITAL ASSETS

As of December 31, 2022, the Corporation had $181,603 invested in capital assets, net of accumulated depreciation, primarily composed of data equipment, office equipment, radio frequency R&D equipment, leasehold improvements, and websites. This represented a decrease of 12% from the prior year as the Corporation continued to depreciate existing assets.

As of December 31, 2021, the Corporation had $205,224 invested in capital assets, net of accumulated depreciation, primarily composed of data equipment, office equipment, radio frequency R&D equipment, leasehold improvements, and websites. This represented a decrease of 18% from the prior year as the Corporation continued to depreciate existing assets. The primary capital expenditure in 2021 was in new/updated computer equipment and leasehold improvements to the Louisiana Technology Park space.

	2022	2021	2020
Capital Assets	**$ 181,603**	$ 205,224	$ 250,834

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS

The Corporation's management considered the following factors and indicators when setting 2022 budget and goals:

- Expansion of the Ignition Accelerator program to include a growth stage cohort.
- Continued growth of Baton Rouge Entrepreneurship Week and the BizTech Fellows and Challenge programs.
- Continued emphasis on raising funds from federal, state, and private entities.
- Commitment of funds to LSU Innovation Park.
- Increase in lodging tax income as the region recovers from the COVID-19 pandemic.

Management expects to incur a net loss in 2022 supported by cash withdrawals from the investment portfolio.

CONTACTING RESEARCH PARK CORPORATION'S MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of Research Park Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Genevieve Silverman, President & CEO of Research Park Corporation.

RESEARCH PARK CORPORATION
Statements of Net Position
December 31, 2022 and 2021

	2022	2021
Assets		
Current Assets		
Cash and Cash Equivalents	$ 756,772	$ 298,762
Taxes Receivable - Cooperative Endeavor 2022	-	748,249
Taxes Receivable - Cooperative Endeavor 2023	455,880	-
Interest Receivable	10,834	8,084
Other Receivables, Less Allowance for Uncollectible Accounts of $5,366 at 2022 and 2021	182,626	102,803
Current Portion of Note Receivable - Bon Carre' Business Center	210,230	210,230
Prepaid Expenses	71,518	48,980
Total Current Assets	1,687,860	1,417,108
Investments		
Note Receivable - Bon Carre' Business Center	1,489,772	3,041,268
Investment in Securities (at Fair Value)	15,052,793	18,798,203
Total Investments	16,542,565	21,839,471
Capital Assets		
Furniture and Equipment	471,709	429,444
Leasehold Improvements	904,551	897,857
Website	32,824	23,751
	1,409,084	1,351,052
Less: Accumulated Depreciation	(1,227,481)	(1,145,828)
Total Capital Assets, Net	181,603	205,224
Other Assets		
Right-to-Use Assets	176,935	530,805
Total Assets	$ 18,588,963	$ 23,992,608
Liabilities and Net Position		
Liabilities		
Accounts Payable	$ 89,033	$ 67,576
Accrued Expenses	25,896	45,458
Paycheck Protection Program Loan	-	211,125
Security Deposits	13,897	11,535
Deferred Revenue	15,547	99,547
Operating Lease Liability	184,970	530,805
Total Current Liabilities	329,343	966,046
Total Liabilities	329,343	966,046
Net Position		
Net Investment in Capital Assets	173,568	205,224
Unrestricted	18,086,052	22,821,338
Total Net Position	18,259,620	23,026,562
Total Liabilities and Net Position	$ 18,588,963	$ 23,992,608

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

RESEARCH PARK CORPORATION
Statements of Revenues, Expenses,
and Changes in Net Position
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenues		
Incubator Client Income	$ 271,822	$ 192,256
Grant and Sponsorship Income	282,952	299,213
Other Operating Income	67,384	26,236
Total Revenues	622,158	517,705
Expenses		
Salaries and Wages	749,604	848,271
Depreciation and Amortization	458,939	443,517
Marketing	257,817	63,257
Program Expenses	247,770	225,135
Employee Benefits	213,771	237,266
Consulting Fees	145,448	37,646
Professional Fees	108,476	49,680
Utilities	122,837	84,743
IT Outsourcing Services	116,386	111,357
Payroll Taxes	57,599	60,570
Dues and Professional Development	38,694	41,570
Facility Maintenance and Repair	39,853	33,254
Travel Expenses	26,920	11,373
Telephone	22,689	23,528
Insurance	22,388	27,599
Computer Expenses	19,356	14,102
Office Supplies and Equipment	18,749	5,381
Rent	12,190	11,954
Meals and Entertainment	10,623	7,273
Postage and Printing	831	1,065
Innovation Catalyst, Inc. Contributions	-	199,748
Total Expenses	2,690,940	2,538,289
Operating Loss	(2,068,782)	(2,020,584)

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

RESEARCH PARK CORPORATION
Statements of Revenues, Expenses,
and Changes in Net Position (Continued)
For the Years Ended December 31, 2022 and 2021

	2022	2021
Non-Operating Revenues (Expenses)		
Hotel/Motel Tax Revenue - Cooperative Endeavor 2021	-	697,012
Hotel/Motel Tax Revenue - Cooperative Endeavor 2022	**539,687**	748,249
Hotel/Motel Tax Revenue - Cooperative Endeavor 2023	**986,162**	-
Investment (Loss) Income, Net of Fees	**(2,888,659)**	2,242,796
Other (Expenses) Income	**(1,335,350)**	337,988
Total Non-Operating (Expenses) Revenues, Net	**(2,698,160)**	4,026,045
Change in Net Position	**(4,766,942)**	2,005,461
Net Position, Beginning of the Year	**23,026,562**	21,021,101
Net Position, End of the Year	**$ 18,259,620**	$ 23,026,562

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

RESEARCH PARK CORPORATION
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows from Operating Activities		
Cash Received from:		
Operating Receipts	**$ 544,697**	$ 599,725
Cash Paid for:		
Salaries and Employee Benefits	**(963,375)**	(1,118,758)
General and Administrative Expenses	**(1,009,113)**	(823,348)
Grants and Contributions	**-**	(199,748)
Program Expenses	**(247,770)**	(225,135)
IT Outsourcing Services	**(116,386)**	(111,357)
Net Cash Used in Operating Activities	**(1,791,947)**	(1,878,621)
Cash Flows from Non-Capital Financing Activities		
Proceeds from Paycheck Protection Program Loan	**-**	211,125
Taxes Received	**1,818,218**	1,082,168
Net Cash Provided by Non-Capital Financing Activities	**1,818,218**	1,293,293
Cash Flows from Capital Financing Activities		
Capital Asset Purchases	**(58,031)**	(29,250)
Net Cash Used in Capital Financing Activities	**(58,031)**	(29,250)
Cash Flows from Investing Activities		
Purchase of Investments and Certificates of Deposit	**(7,043,581)**	(5,050,026)
Proceeds from Sale of Investments and Certificates of Deposit	**7,244,818**	5,278,942
Principal Received from Bon Carre' Business Center	**-**	201,749
Interest and Dividend Income Received	**288,533**	337,992
Net Cash Provided by Investing Activities	**489,770**	768,657
Change in Cash and Cash Equivalents	**458,010**	154,079
Cash and Cash Equivalents, Beginning of Year	**298,762**	144,683
Cash and Cash Equivalents, End of Year	**$ 756,772**	$ 298,762

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

RESEARCH PARK CORPORATION
Statements of Cash Flows (Continued)
For the Years Ended December 31, 2022 and 2021

	2022	2021
Reconciliation of Operating Loss to Net Cash Used in Operating Activities		
Operating Loss	**$ (2,068,782)**	$ (2,020,584)
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities		
Depreciation and Amortization	**458,939**	84,740
Changes in Operating Assets and Liabilities		
Other Receivables	**(79,823)**	(19,790)
Prepaid Expenses	**(22,538)**	24,481
Accounts Payable	**21,457**	15,626
Accrued Expenses	**(19,562)**	(64,904)
Security Deposits	**2,362**	2,263
Deferred Revenue	**(84,000)**	99,547.00
Net Cash Used in Operating Activities	**$ (1,791,947)**	$ (1,878,621)

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

Note 1. Nature of Activities

The Research Park Corporation (the Corporation) was formed as a public non-profit corporation in 1992. The State of Louisiana (the State) transferred a tract of land (at the State's cost) in 1993 to the Corporation to establish a research park. The purpose of the research park is to provide an area where various industries may set up their businesses while they are in the developmental stage. The research park is used to attract these businesses to Louisiana.

During the year ended December 31, 2001, the Corporation refocused its efforts to concentrate primarily on developing early-stage technology businesses. The Corporation formed Louisiana Technology Park, LLC (LTP) as a wholly-owned subsidiary of the Corporation to act as the technology business incubator for the development stage technology companies. LTP is adjacent to a commercial data center and commercial office space for technology companies. The commercial data center provides data storage and transmission capabilities to incubator companies.

During the year ended December 31, 2002, the Corporation formed Bon Carre' Development Company, LLC (BCDC) as a wholly-owned subsidiary of the Corporation, for the purpose of purchasing Bon Carre' Town Center's mortgage note and approximately 18½ acres of land relating to that development (see Note 7). BCDC currently holds a promissory note from Bon Carre Business Center, LLC as its only asset.

During the year ended December 31, 2016, the Corporation formed NexusLA, LLC (NexusLA) as a wholly-owned subsidiary of the Corporation to connect the innovation and entrepreneurship community to resources, opportunities, and solutions by implementing strategic initiatives that increase regional collaboration, access to capital, and technology workforce diversity. In 2020, the Corporation rebranded itself as Nexus Louisiana.

Two percent of the hotel-motel tax collections in East Baton Rouge Parish is dedicated to the East Baton Rouge Community Improvement Fund. A portion of the tax monies collected by the Community Improvement Fund is allocated to the Corporation (see Note 3).

Note 2. Summary of Significant Accounting Policies

Reporting Entity

Government Accounting Standards Board (GASB) Statement No. 14, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within a reporting entity. Under provisions of this Statement, the Corporation is considered a primary government entity since it is a public non-profit corporation that has a separately appointed governing body and is legally separate. The Corporation has three component units, Louisiana Technology Park, LLC, NexusLA, LLC, and Bon Carre' Development Company, LLC, defined by GASB Statement No. 14 as other legally separate organizations for which the Corporation is financially accountable. These entities are reported as blended component units and are thus with Research Park Corporation for reporting purposes. There are no other primary governments with which the Corporation has a significant relationship.

Note 2. Summary of Significant Accounting Policies (Continued)

Basis of Accounting

The Corporation is considered to be a proprietary-type fund and is presented as a business-type activity. Proprietary funds are used to account for governmental activities that are similar to those found in the private sector where the determination of operating income and changes in net assets is necessary or useful to sound financial administration. The accounting principles generally accepted in the United States of America (U.S. GAAP) used for proprietary funds are generally those applicable to similar businesses in the private sector (accrual basis of accounting). Under the accrual basis of accounting, revenues are recognized in the accounting period in which they were earned, and expenses are recognized in the period incurred.

Income Taxes

Research Park Corporation is a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Generally, the income of these organizations is presumed to be tax exempt. However, this exemption is related to the purpose for which the organization was organized. In the event that the entity generates income from an unrelated trade or business, that income would be subject to unrelated business income tax (UBIT).

Compensated Absences

All full-time employees earn from 25 days of paid time off (PTO) leave each year, accrued bi-weekly up to a maximum of 135 hours. Upon separation, all earned unused PTO leave will be paid.

Cash

For purposes of reporting cash flows, cash includes highly liquid investments with original maturities of three months or less, with the exception of money markets. Money markets are utilized as part of the long-term investment portfolio and are therefore classified as investments.

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.

Note 2. Summary of Significant Accounting Policies (Continued)

Revenue Recognition

Non-exchange transactions, in which the Corporation receives value without directly giving value in return, include funding related to the cooperative endeavor agreements entered into for the State of Louisiana's fiscal years ended June 30, 2020 through June 30, 2022 (see Note 3). Funds received from cooperative endeavor agreements that are unrelated to capital outlay are recognized in the period in which the Corporation is eligible to receive the funding. The state fiscal 2020 through 2022 cooperative endeavor agreements are considered to be non-operating activities as they are funded by hotel/motel tax revenue. Hotel/motel tax revenue is considered measurable when the underlying transaction generating the tax occurs. All funds received in the form of a donation are considered non-operating revenue

Investments

Investments in securities are reported at estimated fair value except for short-term and money market investments with a maturity of one year or less, which are reported at cost which approximates fair value. Fair value is based on the last reported sales price if available; if not available, fair value is based on estimated fair value. Realized gains and losses and changes in unrealized gains and losses on investments recorded at estimated fair value are included in investment income. Investments include money market accounts, investments in domestic and foreign common stock, investments in domestic and foreign corporate and government debt, commodities and gold, hedge funds, mutual funds, real estate investment trusts, and master limited partnerships.

Capital Assets

All capital assets are capitalized at historical cost or estimated historical costs for assets where actual cost is not available. The Corporation maintains a threshold level of $500 or more for capitalizing assets.

All capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed by the Corporation, no salvage value is taken into consideration for depreciation purposes. Useful lives vary from 3 to 8 years.

Right-to-Use Assets

The Corporation has recorded right-to-use lease assets as a result of implementing GASB Statement No. 87. The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease.

Note 2. Summary of Significant Accounting Policies (Continued)

Net Position

In accordance with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 63, net position is classified into three components: net investment in capital assets, restricted, and unrestricted.

These classifications are defined as follows:

- *Net Investment in Capital Assets* - This component of net position consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.
- *Restricted* - This component of net position consists of assets that have constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - All other net position is reported in this category.

Recently Issued Accounting Principles - Adopted

Effective with the fiscal year ended December 31, 2022, the Corporation has implemented GASB Statement No. 87, *Leases*. The objective of GASB 87 is to better meet the information needs of the financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

The transition adjustment for the lessee leases in existence as of January 1, 2021 resulted in a right-to-use asset of $884,675, and a lease liability of $884,675.

Recently Issued Accounting Pronouncements - Not Yet Adopted

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITA) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

Note 3. Cooperative Endeavor Agreements - State of Louisiana

Two percent of the hotel/motel sales tax collections for East Baton Rouge Parish is dedicated to the East Baton Rouge Parish Community Improvement Fund (the Fund). The Corporation receives a line item appropriation equal to 50% of the Fund. For the each of the State's fiscal years ending June 30, 2023 and 2022, the line item appropriation to the Fund was $1,287,936. Governor Edwards issued Executive Order JBE 2016-38, dated July 22, 2016, which requires a comprehensive cooperative endeavor agreement (CEA) between the transferring agency and the Corporation in order to receive funding from the line item appropriation. The Corporation entered into this CEA with the State for the State's fiscal years ending June 30, 2023 and 2022 and must submit quarterly cost reports for review and approval by the Department of the Treasury before funds are released to the Corporation.

Note 4. Cash and Cash Equivalents and Investments

GASB Statement No. 40 (GASB 40), *Deposits and Investment Risk Disclosures,* established and modified disclosure requirements related to investment risk. This section describes various types of investment risk and the Corporation's exposure to each type.

The following table presents the estimated fair value of cash and cash equivalents and investments permissible under the rules, objectives, and guidelines of the Corporation as of December 31, 2022 and 2021:

Investment Type	**2022 Estimated Fair Value**	2021 Estimated Fair Value
Cash and Cash Equivalents	**$ 880,253**	$ 1,048,201
Domestic Equity	**9,104,609**	10,088,183
International and Emerging Markets Equity	**1,136,135**	3,482,479
Domestic Fixed Income	**2,305,483**	2,335,130
International and Emerging Markets Debt	**223,754**	379,943
REITs, MLPs, and Other Alternative Assets	**1,402,559**	1,464,267
Total	**$ 15,052,793**	$ 18,798,203

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of bank failure, the Corporation's deposits may not be recovered. Deposits are carried at cost. The carrying amount of deposits is separately displayed on the balance sheet as cash and cash equivalents. At year-end, the carrying amount of the Corporation's deposits was $756,722 and the bank balance was $920,077. The bank balance was not in excess of the federally insured amount at December 31, 2022.

Note 4. Cash and Cash Equivalents and Investments (Continued)

Custodial Credit Risk (Continued)

For investments, custodial credit risk is the risk that the Corporation will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured and are not registered in the name of the Corporation. The Corporation had no custodial credit risk related to investments for the years ended December 31, 2022 and 2021.

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations.

The following table shows the ratings for the years ended December 31, 2022 and 2021:

Standard & Poor's Rating	**2022 Estimated Fair Value**	2021 Estimated Fair Value
AAA	**$ 421,937**	$ 335,733
AA	**57,797**	53,426
A	**803,287**	1,393,391
BBB	**470,505**	454,119
BB	**86,852**	-
B	**-**	104,423
Not Rated	**688,859**	373,981
Total	**$ 2,529,237**	$ 2,715,073

U.S. Treasury notes, although not rated by S&P, are included in the chart above in the AAA category, which is the Moody's rating. Alternative or structured investments have not been included in the ratings above as they are not traded and, therefore, have not been rated. Redemption of these investments relies solely on the companies which provide the contracts and their ability to repay the underlying obligations.

Concentration of credit risk relates to the risk of loss attributed to a magnitude of the Corporation's investments in a single issuer. The Corporation has no investments in any single issuer that represented 5% or more of the total investments other than the U.S. Government.

Interest Rate Risk

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The risk is applicable to debt investments with fair values that are sensitive to changes in interest rates. One indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments, excluding fixed income mutual funds.

Note 4. Cash and Cash Equivalents and Investments (Continued)

Interest Rate Risk (Continued)

The following table shows the maturity dates for the years ended December 31, 2022 and 2021:

Maturity in Years	2022 Estimated Fair Value	2021 Estimated Fair Value
Less than 1	$ 36,364	$ 50,421
1 - 5	384,421	1,378,958
5 - 10	211,237	565,291
10 or More	-	720,403
Perpetual	1,897,215	-
Total	$ 2,529,237	$ 2,715,073

Net investment income (loss) for the years ended December 31, 2022 and 2021 consisted of the following:

	2022	2021
Interest and Dividend Income (Net of Fees)	$ 120,434	$ 234,279
Realized (Loss) Gain	(296,091)	1,191,110
Unrealized (Losses) Gains	(2,713,002)	817,407
Total	$ (2,888,659)	$ 2,242,796

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The following table presents those foreign investment instruments which have potential exposure to foreign currency risk for the years ended December 31, 2022 and 2021:

	2022	2021
Global/Emerging Markets Equity Funds	$ -	$ 1,508,174
Individual Foreign Bonds	223,754	379,943
Individual Foreign Stocks	1,136,135	1,974,305
Total	$ 1,359,889	$ 3,862,422

Note 5. Capital Assets

A summary of changes in capital assets at December 31, 2022 and 2021 is as follows:

December 31, 2022	**Beginning Balance**	**Additions**	**Deletions**	**Ending Balance**
Furniture and Equipment	**$ 429,444**	**$ 42,264**	**$ -**	**$ 471,708**
Website	**23,751**	**9,073**	**-**	**32,824**
Leasehold Improvements	**897,857**	**6,694**	**-**	**904,551**
	1,351,052	**58,031**	**-**	**1,409,083**
Less: Accumulated Depreciation	**(1,145,828)**	**(81,652)**	**-**	**(1,227,480)**
Total	**$ 205,224**	**$ (23,621)**	**$ -**	**$ 181,603**

December 31, 2021	Beginning Balance	Additions	Deletions	Ending Balance
Furniture and Equipment	$ 449,507	$ 14,587	$ (34,650)	$ 429,444
Software	273,430	-	(273,430)	-
Website	39,203	6,351	(21,803)	23,751
Leasehold Improvements	879,665	18,192	-	897,857
	1,641,805	39,130	(329,883)	1,351,052
Less: Accumulated Depreciation	(1,390,971)	(84,740)	329,883	(1,145,828)
Total	$ 250,834	$ (45,610)	$ -	$ 205,224

Note 6. Fair Value

The Corporation's investments measured and reported at fair value are classified according to the following hierarchy:

Level 1 Investments reflect prices quoted in active markets.

Level 2 Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active.

Level 3 Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Note 6. Fair Value (Continued)

Investments classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The valuation of the Corporation's investments measured at fair value at December 31, 2022 and 2021 was as follows:

December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash and Cash Equivalents	**$ 880,254**	**$ -**	**$ -**	**$ 880,254**
Equity Securities	**11,260,086**	**-**	**-**	**11,260,086**
Fixed Income Securities				
U.S. Treasury Obligations	**402,606**	**-**	**-**	**402,606**
Corporate Bonds	**1,902,876**	**-**	**-**	**1,902,876**
Foreign Bonds	**223,754**	**-**	**-**	**223,754**
Total Investments by Fair Value Level	**$ 14,669,576**	**$ -**	**$ -**	**14,669,576**
Investments Measured at the Net Asset Value				
Multi-Adviser Hedge Fund				**383,217**
Total Investments				**$ 15,052,793**

December 31, 2021	Level 1	Level 2	Level 3	Total
Cash and Cash Equivalents	$ 1,048,201	$ -	$ -	$ 1,048,201
Equity Securities	12,202,153	-	-	12,202,153
Mutual Funds	2,490,819	-	-	2,490,819
Fixed Income Securities				
U.S. Treasury Obligations	335,733	-	-	335,733
Corporate Bonds	1,484,971	547,664	-	2,032,635
Convertible Bonds	-	60,078	-	60,078
Total Investments by Fair Value Level	$ 17,561,877	$ 607,742	$ -	18,169,619
Investments Measured at the Net Asset Value				
Multi-Adviser Hedge Fund				628,584
Total Investments				$ 18,798,203

Note 6. Fair Value (Continued)

The fair value of the multi-adviser hedge fund has been determined using the net asset value (NAV) per share (or its equivalent) of the investment. The investment objective of the multi-adviser hedge fund is to achieve capital appreciation principally through investing in investment funds managed by third-party investment managers that employ a variety of alternative investment strategies. No redemptions are permitted.

December 31, 2022	**Fair Value**	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Multi-Adviser Hedge Fund	**$ 383,217**	**N/A**	**N/A**	**N/A**

December 31, 2021	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Multi-Adviser Hedge Fund	$ 628,587	N/A	N/A	N/A

Note 7. Note Receivable from Bon Carre' Business Center

On December 31, 2002, the Corporation, through its subsidiary, Bon Carre' Development Company, LLC, purchased the mortgages, consent judgment, and, to the extent they had any viability, the notes of Bon Carre' Town Center from First Tennessee Bank for $8,160,121. In connection with the above transaction, the Corporation also purchased land at a cost of $839,879. On March 28, 2003, the Corporation sold its entire interest in the above land and mortgage note to Bon Carre' Business Center II, LLC for which it received $9 million. The Corporation subsequently purchased a 26.56% interest in Bon Carre' Business Center II, LLC's and BCBC Land, LLC's (collectively, referred to as BCBC) common stock for $2,125,900, plus 3,000 units of cumulative non-voting 9% preferred stock totaling $3,000,000 for a total purchase price of $5,125,900.

On December 1, 2013, the Corporation sold its entire equity interest in BCBC, including common stock, preferred stock, and outstanding dividends receivable, to Bon Carre' Business Center II, LLC in exchange for $750,000 cash and a promissory note of $4,650,000.

During 2022, the Corporation determined that collectability of the promissory note was impaired and recorded an allowance of approximately $1,500,000 on the note receivable and recognized the impairment loss in other expenses on the statement of revenues, expenses, and changes in net position.

Note 8. Paycheck Protection Program

As a response to the Coronavirus (COVID-19) outbreak, the U.S. government responded with relief legislation. Certain legislation, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, authorized emergency loans to businesses by establishing, and providing funding for, forgivable bridge loans under the Paycheck Protection Program (PPP). The Corporation obtained a $186,200 loan from b1BANK under the PPP in April 2021.

Under the terms of the PPP, up to 100% of the loan (and related interest) may be forgiven by the Small Business Administration (SBA), if the proceeds are used for covered expenses and certain other requirements related to wage rates and maintenance of full-time equivalents are met. The portion that is not forgiven, if any, is converted to an unsecured term note payable in equal installments, including interest at 1%, through April 2022. The Corporation applied for forgiveness with the lender and received forgiveness of $186,200 from the SBA on January 22, 2021.

The Corporation obtained a PPP loan through the second round of funding in the amount of $211,125 in March 2021. On March 7, 2022, the Corporation received notification from the SBA of forgiveness of the $211,125 loan.

Note 9. Federal Grants

As COVID-19 began to spread, higher education institutions closed and moved to virtual and/or remote learning and training for current programs. The State of Louisiana incrementally progressed to the stay-in-place mandate, allowing only essential personnel to remain at companies. Companies across industries instituted hiring-freezes and evaluated HR practices and current employment measures. They forecasted and ultimately implemented furloughs, layoffs, reduced hours, etc. for current workforce in an effort to mitigate lost revenue. All this had a direct impact on the Apprenti Louisiana IT Apprenticeship Program, delaying training and resulting in conversations with industry on workforce needs and adjusted timelines.

In late 2019, the Corporation was awarded a $100,000 grant from the Delta Regional Authority's States' Economic Development Assistance Program (SEDAP) to support the expansion of the Apprenti Louisiana IT Apprenticeship Program. The original grant period was November 6, 2020 to May 6, 2022 and required the Corporation to expend the $100,000 of federal funds, as well as the matching contributions of $388,186, consistent with the scope of the work outlined in the Financial Assistance Award. The Corporation also provided reporting on a quarterly basis as stated in the Award and received funds on a cost reimbursement basis. The Corporation submitted and was granted an extension to December 31, 2021. In addition, a budget modification was submitted and approved to move funds amongst the approved expense line items and to increase the match amount to $399,173 based on updated training projections. The Corporation submitted and was granted a final extension to June 30, 2022.

Note 9. Federal Grants (Continued)

In 2019, the Corporation was awarded a $150,000 grant from the Delta Regional Authority's Delta Workforce Program (DWP 2020) to support the expansion of the Apprenti Louisiana IT Apprenticeship Program. The approved grant period is January 1, 2021 to December 31, 2021 and requires the Corporation to expend the $150,000 of federal funds, as well as the matching contributions of $589,440, consistent with the scope of the work outlined in the Financial Assistance Award. The Corporation must also provide reporting on a quarterly basis as stated in the Award and receive funds on a cost reimbursement basis. A modification was submitted and approved in 2021 to extend the grant period through December 31, 2021.

In December 2020, the Corporation was awarded a $150,000 grant from the Delta Regional Authority's Delta Workforce Program (DWP 2021) to support the continued expansion of the Apprenti Louisiana IT Apprenticeship Program. The approved grant period is December 22, 2020 to December 31, 2022 and requires the Corporation to expend the $150,000 of federal funds, as well as the matching contributions consistent with the scope of the work outlined in the Financial Assistance Award. The Corporation must also provide reporting on a quarterly basis as stated in the Award and receive funds on a cost reimbursement basis.

Note 10. Retirement Plan

The Corporation adopted a 401(k) plan in 2002 which covers substantially all of its employees. The Corporation contributes 4% of all eligible employees' salaries and matches 100% of each employee's salary deferrals up to 3% of their compensation. The contributions for the years ended December 31, 2022 and 2021 were $47,391 and $53,865, respectively.

Note 12. Leases

Beginning January 1, 2005, LTP entered into a formal lease agreement for a term of 10 years with Bon Carre' Business Center II, LLC. Effective January 1, 2015, the Corporation exercised a 5-year option agreement, which extended the lease term to December 31, 2020. Rent during the option period 2015 through 2019 was $9.69 per square foot. On March 26, 2019, the third amendment to the agreement extended the lease term until December 31, 2021 with rates remaining the same. After coming under new ownership, the Corporation executed a fourth amendment to the agreement which extended the lease term until June 30, 2023 with rates remaining the same.

Note 12. Leases (Continued)

At December 31, 2022 and 2021, the right-to-use asset was $884,685, and accumulated amortization totaled $707,740 and $353,870, respectively. For each of the years ended December 31, 2022 and 2021, amortization expense totaled $353,870.

The lease liability as of December 31, 2022 and 2021 was as follows:

	2022	2021
Operating Lease Liability, Current	$ 184,970	$ 345,835
Operating Lease Liability, Net of Current Portion	-	184,970
Total	$ 184,970	$ 530,805

The future minimum lease payments for these leases are as follows:

Year Ending December 31,	Principal	Interest
2023	$ 184,970	$ 1,753

Note 13. Combining Component Unit Information

The following table includes condensed combining statements of net position information for the Corporation and its component units as of December 31, 2022:

December 31, 2022	Research Park Corporation	Louisiana Technology Park	Bon Carre' Development Company	NexusLA	Eliminations	Total
Assets						
Current Assets	$ 1,048,982	$ 301,721	$ 210,230	$ 126,922	$ -	$ 1,687,855
Other Assets	17,305,784	-	1,489,772	-	(2,252,991)	16,542,565
Capital Assets	8,248	310,374	-	39,916	-	358,538
Total Assets	$ 18,363,014	$ 612,095	$ 1,700,002	$ 166,838	$ (2,252,991)	$ 18,588,958
Liabilities and Net Position						
Current Liabilities	$ 103,394	$ 225,949	$ -	$ -	$ -	$ 329,343
Total Liabilities	103,394	225,949	-	-	-	329,343
Net Position						
Net Investment in Capital Assets	8,248	125,404	-	39,916	-	173,568
Unrestricted	18,251,372	260,747	1,700,002	126,922	(2,252,991)	18,086,052
Total Net Position	18,259,620	386,151	1,700,002	166,838	(2,252,991)	18,259,620
Total Liabilities and Net Position	$ 18,363,014	$ 612,100	$ 1,700,002	$ 166,838	$ (2,252,991)	$ 18,588,963

Note 13. Combining Component Unit Information (Continued)

The following table includes condensed combining statements of net position information for the Corporation and its component units as of December 31, 2021:

December 31, 2021	Research Park Corporation	Louisiana Technology Park	Bon Carre' Development Company	NexusLA	Eliminations	Total
Assets						
Current Assets	$ 947,593	$ 130,139	$ 242,919	$ 96,457	$ -	$ 1,417,108
Other Assets	22,382,536	-	3,041,268	-	(3,584,333)	21,839,471
Capital Assets	1,759	708,822	-	25,448	-	736,029
Total Assets	$ 23,331,888	$ 838,961	$ 3,284,187	$ 121,905	$ (3,584,333)	$ 23,992,608
Liabilities and Net Position						
Current Liabilities	$ 305,326	$ 607,550	$ -	$ 53,170	$ -	$ 966,046
Total Liabilities	305,326	607,550	-	53,170	-	966,046
Net Position						
Net Investment in Capital Assets	1,759	178,017	-	25,448	-	205,224
Unrestricted	23,024,803	53,394	3,284,187	43,287	(3,584,333)	22,821,338
Total Net Position	23,026,562	231,411	3,284,187	68,735	(3,584,333)	23,026,562
Total Liabilities and Net Position	$ 23,331,888	$ 838,961	$ 3,284,187	$ 121,905	$ (3,584,333)	$ 23,992,608

The following table includes condensed combining statements of revenues, expenses, and changes in net position information for the Corporation and its component units for the years ended December 31, 2022:

December 31, 2022	Research Park Corporation	Louisiana Technology Park	Bon Carre' Development Company	NexusLA	Eliminations	Total
Revenues						
Incubator Client Income	$ -	$ 271,822	$ -	$ -	$ -	$ 271,822
Grant and Sponsorship Income	-	34,705	-	248,247	-	282,952
Other Operating Income	-	53,366	-	14,018	-	67,384
Total Revenues	-	359,893	-	262,265	-	622,158
Expenses						
Operating Expenses	550,745	1,068,402	-	612,854	-	2,232,001
Depreciation	1,739	443,290	-	13,910	-	458,939
Total Expenses	552,484	1,511,692	-	626,764	-	2,690,940
Operating Loss	(552,484)	(1,151,799)	-	(364,499)	-	(2,068,782)
Non-Operating Revenues						
Tax Revenue	1,525,849	-	-	-	-	1,525,849
Investment Income, Net	(4,220,001)	-	-	-	1,331,342	(2,888,659)
Transfers	(1,733,869)	1,303,956	(32,689)	462,602	-	-
Unrelated Business Income Tax Expense	-	-	-	-	-	-
Other	213,563	2,583	(1,551,496)	-	-	(1,335,350)
Total Non-Operating Revenues (Expenses)	(4,214,458)	1,306,539	(1,584,185)	462,602	1,331,342	(2,698,160)
Change in Net Position	(4,766,942)	154,740	(1,584,185)	98,103	1,331,342	(4,766,942)
Net Position, Beginning of the Year	23,026,562	231,411	3,284,187	68,735	(3,584,333)	23,026,562
Net Position, End of the Year	$ 18,259,620	$ 386,151	$ 1,700,002	$ 166,838	$ (2,252,991)	$ 18,259,620

Note 13. Combining Component Unit Information (Continued)

The following table includes condensed combining statements of revenues, expenses, and changes in net position information for the Corporation and its component units for the years ended December 31, 2021:

December 31, 2021	Research Park Corporation	Louisiana Technology Park	Bon Carre' Development Company	NexusLA	Eliminations	Total
Revenues						
Incubator Client Income	$ -	$ 192,256	$ -	$ -	$ -	$ 192,256
Grant and Sponsorship Income	-	11,500	-	287,713	-	299,213
Other Operating Income	1,743	13,339	-	11,154	-	26,236
Total Revenues	1,743	217,095	-	298,867	-	517,705
Expenses						
Operating Expenses	428,244	1,166,003	-	859,302	-	2,453,549
Depreciation	220	72,323	-	12,197	-	84,740
Total Expenses	428,464	1,238,326	-	871,499	-	2,538,289
Operating Loss	(426,721)	(1,021,231)	-	(572,632)	-	(2,020,584)
Non-Operating Revenues (Expenses)						
Tax Revenue	1,445,261	-	-	-	-	1,445,261
Investment Income, Net	2,201,763	-	-	-	41,033	2,242,796
Transfers	(1,401,304)	1,082,956	(323,019)	641,367	-	-
Other	186,462	257	151,269	-	-	337,988
Total Non-Operating Revenues (Expenses)	2,432,182	1,083,213	(171,750)	641,367	41,033	4,026,045
Change in Net Position	2,005,461	61,982	(171,750)	68,735	41,033	2,005,461
Net Position, Beginning of the Year	21,021,101	169,429	3,455,937	-	(3,625,366)	21,021,101
Net Position, End of the Year	$ 23,026,562	$ 231,411	$ 3,284,187	$ 68,735	$ (3,584,333)	$ 23,026,562

Cash flows generated by the aggregate blended components separately from Research Park Corporation have not been material and are not presented.

OTHER SUPPLEMENTARY INFORMATION

RESEARCH PARK CORPORATION
Schedule of Compensation, Benefits, and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2022

Louisiana Revised Statute (R.S.) 24:513(A)(3) as amended by Act 706 of the 2014 Regular Legislative Session requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expense, per diem, and registration fees, be reported as a supplemental report within the financial statements of local government and quasi-public auditees. In 2015, Act 462 of the 2015 Regular Session of the Louisiana Legislature further amended R.S. 24:513(A)(3) to clarify that nongovernmental entities or not-for-profit entities that received public funds shall report only the use of public funds for the expenditures itemized in the supplemental report.

Purpose	**Genevieve Silverman 01/22 - 07/22**	**Calvin Mills, Jr 08/22 - 12/22**	**Total**
Salary/Compensation	$ 103,931.54	$ 87,500.04	$ 191,431.58
Group Health Insurance	17,102.22	-	17,102.22
401(k) Retirement Plan	7,275.23	-	7,275.23
Travel	2,230.50	16,571.58	18,802.08
Meals/Entertainment	672.02	3,169.93	3,841.95
Telephone	600.00	-	600.00
Computer/Supplies	-	1,446.60	1,446.60
Dues/Development	8,477.00	3,093.60	11,570.60
Total	$ 140,288.51	$ 111,781.75	$ 252,070.26

See independent auditor's report.

LAPORTE
CPAs & BUSINESS ADVISORS

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

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*

Independent Auditor's Report

To the Board of Directors
Research Park Corporation
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of Research Park Corporation (the Corporation), a non-profit organization, which comprise the statement of net position as of December 31, 2022, the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2023.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether Research Park Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of 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 entity'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 entity's internal control and compliance. Accordingly, this communication 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.

LaPorte

A Professional Accounting Corporation

Covington, LA
June 28, 2023

Part I - Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued	Unmodified
Internal Control Over Financial Reporting:	
• Material Weaknesses Identified?	No
• Significant Deficiencies Identified?	None reported
Noncompliance Material to Financial Statements Noted?	No

Part II - Financial Statement Findings

None.

LaPorte, APAC
5100 Village Walk | Suite 300
Covington, LA 70433
985.892.5850 | Fax 985.892.5956
LaPorte.com

AGREED-UPON PROCEDURES REPORT
Research Park Corporation

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Period January 1, 2022 - December 31, 2022

To the Board of Directors
Research Park Corporation
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year January 1, 2022 through December 31, 2022. Research Park Corporation's (the Corporation) management is responsible for those C/C areas identified in the SAUPs.

The Corporation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year January 1, 2022 through December 31, 2022. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and findings are as follows:

1) Written Policies and Procedures

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

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

   ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

iii. ***Disbursements***, including processing, reviewing, and approving.

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

v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

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

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

viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

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

xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

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

Results: No exceptions were found as a result of performing these procedures.

2) Board or Finance Committee

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

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

ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions were found as a result of performing these procedures.

3) Bank Reconciliations

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

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

ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: No exceptions were found as a result of performing these procedures.

4) Collections (excluding electronic funds transfers)

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

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

   i. Employees responsible for cash collections do not share cash drawers/registers;

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

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

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

C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

   i. Observe that receipts are sequentially pre-numbered.

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

   iii. Trace the deposit slip total to the actual deposit per the bank statement.

   iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than $100 and the cash is stored securely in a locked safe or drawer).

   v. Trace the actual deposit per the bank statement to the general ledger.

Results: No exceptions were found as a result of performing these procedures.

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

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

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

   i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

   ii. At least two employees are involved in processing and approving payments to vendors;

   iii. The employee responsible for processing payments is prohibited from adding/ modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

   iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

   v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

   [Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

   i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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

D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

   Results: No exceptions were found as a result of performing these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

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

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

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

C. Using the monthly statements or combined statements selected under procedure #6B above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

   <u>Results</u>: No exceptions were found as a result of performing these procedures.

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

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

   i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

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

iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

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

Results: No exceptions were found as a result of performing these procedures.

8) Contracts

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

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

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

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

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

Results: No exceptions were found as a result of performing these procedures.

9) Payroll and Personnel

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

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

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

ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

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

iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: No exceptions were found as a result of performing these procedures.

10) *Ethics*

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

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

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

Results: No exceptions were found as a result of performing these procedures.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: No exceptions were found as a result of performing these procedures.

12) Fraud Notice

A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions were found as a result of performing these procedures.

13) Information Technology Disaster Recovery/Business Continuity

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

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

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

   iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

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

14) Prevention of Sexual Harassment

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

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

C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that the report includes the applicable requirements of R.S. 42:344:

   i. Number and percentage of public servants in the agency who have completed the training requirements;

   ii. Number of sexual harassment complaints received by the agency;

   iii. Number of complaints which resulted in a finding that sexual harassment occurred;

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

   v. Amount of time it took to resolve each complaint.

<u>Results</u>: No exceptions were found as a result of performing these procedures.

We were engaged by the Corporation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. 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.

LaPorte

A Professional Accounting Corporation

Covington, LA
June 28, 2023