

**North Louisiana Economic Partnership, Inc.**

**Financial Statements**

**As of and for the Years Ended December 31, 2020 and 2019**

North Louisiana Economic Partnership, Inc.

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# COOK & MOREHART

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## Independent Auditors' Report

To the Board of Directors  
North Louisiana Economic Partnership, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of North Louisiana Economic Partnership, Inc. ( a nonprofit organization ), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of North Louisiana Economic Partnership, Inc., as of December 31, 2020, and 2019 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

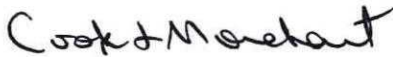
**Other Matters**

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits, and other payments to agency head on page 16, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2021, on our consideration of the North Louisiana Economic Partnership, Inc.'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 North Louisiana Economic Partnership, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Louisiana Economic Partnership, Inc.'s internal control over financial reporting and compliance.



Cook & Morehart  
Certified Public Accountants  
June 28, 2021



North Louisiana Economic Partnership, Inc.  
 Statements of Financial Position  
 December 31, 2020 and 2019

Assets	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 292,253	\$ 271,370
Accounts receivable	12,439	29,861
Grants receivable	109,435	27,065
Prepaid expenses	18,501	26,428
Unconditional promises to give	76,659	87,813
Total current assets	<u>509,287</u>	<u>442,537</u>
Noncurrent assets:		
Unconditional promises to give	7,375	58,951
Property and equipment, net	235	919
Total noncurrent assets	<u>7,610</u>	<u>59,870</u>
 Total Assets	 <u>\$ 516,897</u>	 <u>\$ 502,407</u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 19,188	\$ 26,154
Loan payable	146,025	
Total current liabilities	<u>165,213</u>	<u>26,154</u>
Net assets:		
With donor restrictions	188,693	248,383
Without donor restrictions	162,991	227,870
Total net assets	<u>351,684</u>	<u>476,253</u>
 Total Liabilities and Net Assets	 <u>\$ 516,897</u>	 <u>\$ 502,407</u>

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

North Louisiana Economic Partnership, Inc.  
Statement of Activities  
For the Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2020
Revenues, gains, support and reclassifications:			
Rent and royalties	\$ 111,963	\$	\$ 111,963
Grants and contracts	319,618	17,446	337,064
Contributions and donations	743,488	70,000	813,488
Miscellaneous	52,981		52,981
Net assets released from restrictions			
Satisfaction of program restrictions	147,136	(147,136)	
Total revenues, gains, support and reclassifications	1,375,186	(59,690)	1,315,496
Expenses and losses:			
Supporting services			
General and administrative	159,664		159,664
Fundraising	30,000		30,000
Program services			
Economic development	1,250,401		1,250,401
Total expenses	1,440,065		1,440,065
Change in net assets	(64,879)	(59,690)	(124,569)
Net assets, beginning of year	227,870	248,383	476,253
Net assets, end of year	\$ 162,991	\$ 188,693	\$ 351,684

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

North Louisiana Economic Partnership, Inc.  
Statement of Activities  
For the Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2019
Revenues, gains, support and reclassifications:			
Rent and royalties	\$ 180,245	\$	\$ 180,245
Grants and contracts	225,115	86,001	311,116
Contributions and donations	725,667		725,667
Meetings and events	80,712		80,712
Miscellaneous	72,030	9,596	81,626
Net assets released from restrictions			
Satisfaction of program restrictions	155,707	(155,707)	
Total revenues, gains, support and reclassifications	1,439,476	(60,110)	1,379,366
Expenses and losses:			
Supporting services			
General and administrative	180,158		180,158
Program services			
Economic development	1,443,782		1,443,782
Total expenses	1,623,940		1,623,940
Change in net assets	(184,464)	(60,110)	(244,574)
Net assets, beginning of year	412,334	308,493	720,827
Net assets, end of year	\$ 227,870	\$ 248,383	\$ 476,253

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

North Louisiana Economic Partnership, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Support Services		Program Services	Totals 2020
	General and Administrative	Fundraising	Economic Development	
Salaries and commissions	\$ 81,089	\$	\$ 565,089	\$ 646,178
Payroll taxes	6,043		42,111	48,154
Pension expense	6,487		45,206	51,693
Other employee benefits	7,294		50,829	58,123
Advertising			6,407	6,407
Liability insurance	3,966			3,966
Building rent	17,973		125,251	143,224
Office supplies	1,821			1,821
Periodicals and dues			21,841	21,841
Postage	485			485
Professional services	19,830	30,000	1,393	51,223
Photocopy and printing			3,154	3,154
Travel	1,043		7,271	8,314
Repairs and maintenance			9,456	9,456
Computer expense			19,252	19,252
Telephone	2,763		19,256	22,019
Miscellaneous	10,487		52,501	62,988
Annual meeting			40,532	40,532
DED - Tier I and II contracts			69,177	69,177
NELA branding			887	887
Other grants			87,796	87,796
Website development			2,640	2,640
Business relations			42,078	42,078
Strategic plan	297			297
Research			7,775	7,775
Education initiatives			782	782
ACT workready			4,288	4,288
Bad debt			24,831	24,831
Depreciation	86		598	684
Total expenses	\$ 159,664	\$ 30,000	\$ 1,250,401	\$ 1,440,065

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



North Louisiana Economic Partnership, Inc.  
Statement of Functional Expenses  
For the Year Ended December 31, 2019

	<u>Support Services</u>	<u>Program Services</u>	
	General and Administrative	Economic Development	Totals 2019
Salaries and commissions	\$ 87,214	\$ 640,760	\$ 727,974
Payroll taxes	5,785	42,502	48,287
Pension expense	6,703	49,245	55,948
Other employee benefits	7,692	56,511	64,203
Advertising		6,461	6,461
Liability insurance	3,623		3,623
Building rent	15,102	110,950	126,052
Office supplies	2,464		2,464
Periodicals and dues		23,812	23,812
Postage	535		535
Professional expense	19,285		19,285
Photocopy and printing		1,901	1,901
Travel	4,163	30,587	34,750
Professional development	343	2,520	2,863
Repairs and maintenance		14,120	14,120
Computer expense		27,485	27,485
Telephone	1,791	13,155	14,946
Miscellaneous	339	2,493	2,832
Annual meeting		35,865	35,865
DED - Tier I and II contracts		95,803	95,803
NELA branding		1,062	1,062
Other grants		55,654	55,654
Website development		2,874	2,874
Business relations		137,562	137,562
Strategic plan	20,297		20,297
Education initiatives		19,861	19,861
Development expense		4,343	4,343
ACT workready		32,829	32,829
Depreciation	4,822	35,427	40,249
Total expenses	<u>\$ 180,158</u>	<u>\$ 1,443,782</u>	<u>\$ 1,623,940</u>

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

North Louisiana Economic Partnership, Inc.  
 Statements of Cash Flows  
 For the Years Ended December 31, 2020 and 2019

Operating Activities	2020	2019
Changes in net assets	\$ (124,569)	\$ (244,574)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	684	40,249
(Increase) decrease in operating assets:		
Accounts receivable	17,422	4,202
Grants receivable	(82,370)	54,621
Prepaid expenses	7,927	(11,540)
Unconditional promises to give	62,730	155,707
Increase (decrease) in operating liabilities		
Accounts payable and accrued expenses	(6,966)	(6,037)
Net cash (used) by operating activities	(125,142)	(7,372)
Financing Activities		
Proceeds from loan payable	146,025	
Net cash provided by financing activities	146,025	
Net increase (decrease) in cash and cash equivalents	20,883	(7,372)
Cash and cash equivalents as of beginning of year	271,370	278,742
Cash and cash equivalents as of end of year	\$ 292,253	\$ 271,370

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

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019

(1) Summary of Significant Accounting Policies

A. Nature of Activities

The North Louisiana Economic Partnership, Inc. (NLEP) is a nonprofit organization incorporated under the laws of the State of Louisiana and is exempt from federal income tax under Section 501(c)3 of the Internal Revenue Code. The purpose of the North Louisiana Economic Partnership, Inc. is to assist local government by studying problems such as public education, crime prevention, poverty, and economic development and publicize the results of its research and recommendations, and to work for the general betterment of the North Louisiana area.

B. Basis of Accounting

The financial statements of the North Louisiana Economic Partnership, Inc. have been prepared on the accrual basis of accounting.

C. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards. Under those standards, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

**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 objective of the organization. These net assets may be used at the discretion of NLEP's management and the board of directors.

**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 NLEP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. NLEP has adopted a policy to classify donor restricted contributions as without donor restriction to the extent that donor restrictions are met in the year the contribution was received

E. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the North Louisiana Economic Partnership, Inc. considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

(Continued)



North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

F. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise to give is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Management provides for probable uncollectible amounts through establishment of an allowance, based on its assessment of recent collection history and current donor relationships. Initial amounts recognized represent the fair value expected to be collected. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

G. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. The North Louisiana Economic Partnership, Inc. has adopted a policy of capitalizing all assets with a unit value of \$2,500 or more.

H. Contributions

Contributions received are recorded as increase in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. In the absence of donor restrictions to the contrary, restrictions on contributions of property or equipment or on assets restricted to acquiring property or equipment expire when the property or equipment is placed in service.

I. Income Tax Status

The North Louisiana Economic Partnership, Inc. is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Partnership's tax-exempt purpose is subject to taxation as unrelated business income. The Partnership had no such income during this audit period. The North Louisiana Economic Partnership, Inc.'s Forms 990, *Return of Organization Exempt from Income Tax*, for the years ended 2017, 2018, 2019, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

J. Advertising Costs

The NLEP uses advertising to promote its services among the community it serves. The costs of advertising are expensed as incurred. During 2020 and 2019, advertising costs totaled \$6,407 and \$6,461, respectively.

K. Functional Expenses

The costs of providing certain activities of NLEP have been summarized on a functional basis in the statements of activities and in the statements of functional expense. Accordingly, certain costs have been allocated among programs and supported services benefited. Costs are directly charged to the functions they benefit. Facility related and supportive services expenses are allocated to each function based upon managements equitable determination.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

L. Prepaid expenses

Prepaid expenses as of December 31, 2020 and 2019, is comprised primarily of prepaid memberships and subscriptions.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject NLEP to concentrations of credit risk consist principally of temporary cash investments, accounts receivable, grant receivables, and promises to give. Concentrations of credit risk with respect to grant receivables are limited due to these amounts being due from governmental agencies under contractual terms. Concentrations of credit risk with respect to accounts receivable and promises to give are limited due to the large number of contributors comprising the North Louisiana Economic Partnership, Inc.'s contributor base and their dispersion across different industries. As of December 31, 2020 and 2019 the North Louisiana Economic Partnership, Inc. had no significant concentrations of credit risk in relation to accounts receivable, grant receivables, and promises to give

NLEP maintains cash balances at financial institutions located in the Shreveport area. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain amounts. At December 31, 2020, total cash balances held at financial institutions was \$346,817, all of which was secured by FDIC. At December 31, 2019, total cash balances held at financial institutions was \$271,193, all of which was secured by FDIC.

(3) Accounts Receivable

Accounts receivable of \$12,439 and \$29,861 at December 31, 2020 and December 31, 2019, respectively, is comprised of riverboat boarding fees and other miscellaneous amounts due to the North Louisiana Economic Partnership, Inc. as of the end of the year but not received until after those dates.

(4) Promises to Give

The North Louisiana Economic Partnership, Inc. initiated a campaign during 2016 entitled "Regionalism = Results." Promises to give are restricted to payment of costs associated with economic development projects and projects supporting the economic growth of north Louisiana. The promises to give are discounted at .51%, and are shown net of an allowance for uncollectible promises to give of \$14,880 at December 31, 2020 and \$26,227 at December 31, 2019.

Unconditional promises to give at December 31, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ 76,659	\$ 87,813
Receivable in one to five years	7,661	59,809
Less discount on promises	<u>( 286)</u>	<u>( 858)</u>
Net unconditional promises to give	<u>\$ 84,034</u>	<u>\$ 146,764</u>

(Continued)



North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

(5) Grant Receivables

Various funding sources provide reimbursement of allowable costs under contracts or agreements. These balances represent amounts due from the funding sources at December 31, 2020 and 2019, but not received until after those dates.

(6) Property and Equipment

Property and equipment at December 31, 2020 and 2019, with estimated depreciable life, are summarized as follows:

	Estimated Depreciable Life	2020	2019
Furniture, fixtures, equipment	3–10 years	\$ 71,292	\$ 80,791
Leasehold improvements	3–10 years	145,231	145,231
Accumulated Depreciation		<u>( 216,288)</u>	<u>( 225,103)</u>
		<u>\$ 235</u>	<u>\$ 919</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$684 and \$40,249, respectively.

(7) Contractual Revenue – Grants

During the years ended December 31, 2020 and 2019, North Louisiana Economic Partnership, Inc. received contractual revenue from state and local grants in the amount of \$337,064 and \$311,116, respectively. The continued existence of these funds is based on annual contract renewals with various funding sources.

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at December 31, 2020 and 2019, consisted of the following:

	2020	2019
Accounts payable	\$ 10,371	\$ 14,785
Accrued leave payable	8,817	11,369
	<u>\$ 19,188</u>	<u>\$ 26,154</u>

(9) Employee Benefit Plans

NLEP participates in a 401(k) profit sharing plan whereby NLEP makes contributions to the Plan each year up to 8% of participating employee's compensation. Total expenses for the years ended December 31, 2020 and 2019 were approximately \$51,693 and \$55,948, respectively.

(10) Endowment Account with Community Foundation of North Louisiana

The NLEP entered into an agreement with the Community Foundation of North Louisiana (CFNL). The agreement establishes an Agency Endowment Fund at CFNL called "Northwest Louisiana Economic Development Foundation Fund" (Fund). All property of the Fund belongs to CFNL. The fund will be used for support of the charitable purposes of the Partnership. Net income and capital appreciation of the Fund, as governed by CFNL's Spending Policy, will be paid and distributed to the Partnership at least annually, for as long as the Partnership is a Qualified Charitable Organization.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

No transfers were made to the fund during the years ended December 31, 2020 or 2019. The fair market value of the fund at December 31, 2020 and 2019, was \$302,079 and \$290,627, respectively.

(11) Operating Leases

The NLEP leases certain office space and office equipment under operating leases. Rental costs on the leases for the years ended December 31, 2020 and 2019, totaled \$133,569 and \$127,251, respectively.

Commitments under lease agreements having initial remaining terms in excess of one year are as follows:

For the Year Ending December 31,		
2021	\$	131,266
2022		88,440
2023		89,543
2024		29,970
Total minimum future rentals		\$ 339,219

(12) Liquidity and Availability of Financial Assets

NLEP monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. NLEP has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 292,253	\$ 271,370
Accounts receivable	12,439	29,861
Grant receivable	109,435	27,065
Unconditional promises to give	84,034	146,764
Total financial assets	498,161	475,060
Less amounts not available to be used within one year:		
Grants and contributions restricted for specific purposes	( 104,659)	( 101,619)
Non-current portion of promises to give	( 7,375)	( 58,951)
Financial assets available to meet cash needs for general expenditures within one year	\$ 386,127	\$ 314,490

In addition to financial assets available to meet general expenditures over the year, NLEP operates with a balanced budget and anticipates covering its general expenditures using the income generated from contractual agreements and contributions. NLEP also received \$146,025 loan proceeds under the Paycheck Protection Program (PPP) in April 2020. The loan and accrued interest are forgivable after twenty-four weeks, as long as proceeds are used for eligible purposes. The Statement of Cash Flows identifies the sources and uses of NLEP's cash and shows negative cash generated by operations of (\$125,142) and (\$7,372) for fiscal years ending December 31, 2020 and 2019, respectively.

(Continued)



North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

(13) Net Assets

Net assets at December 31, 2020, and 2019, consisted of the following:

	2020	2019
Net Assets Without Donor Restrictions:		
Undesignated	\$ 162,756	\$ 226,951
Net investment in property and equipment	235	919
Total net assets without donor restrictions	162,991	227,870
Net Assets With Donor Restrictions:		
Subject to expenditure for specified purpose -		
Unconditional promises to give	84,034	146,764
ACT work ready	81,213	86,001
Site certification	6,000	6,000
Business development	17,446	3,596
NELA branding	6,022	6,022
Total net assets with donor restrictions	188,693	248,383
Total Net Assets	\$ 351,684	\$ 476,253

(14) Loan Payable

In April 2020, NLEP received loan proceeds in the amount of approximately \$146,025 under the Paycheck Protection Program ("PPP"). The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"). The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four week period. The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. NLEP intends to use the proceeds for purposes consistent with the PPP.

(15) Subsequent events

In January 2021, NLEP was approved for forgiveness of the \$146,025 loan under the Paycheck Protection Program first round, created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration.

Subsequent to December 31, 2020, NLEP received a \$150,000 loan under the Paycheck Protection Program second round created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. NLEP is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

Subsequent to December 31, 2020, NLEP entered into a contractual agreement for campaign management totaling approximately \$191,250, payable in seven monthly installments of \$22,500 and three monthly installments of \$11,250.

Subsequent events have been evaluated through June 28, 2021, the date the financial statements were available to be issued.

(Continued)

North Louisiana Economic Partnership, Inc.  
Notes to Financial Statements  
December 31, 2020 and 2019  
(Continued)

(16) Commitment

As of December 31, 2020, NLEP has commitments signed for consulting services of approximately \$92,000. As of December 31, 2020, approximately \$60,150 had been incurred on those contracts, and the balance remaining in those contracts was approximately \$31,850, which will be incurred subsequent to December 31, 2020.

(17) Uncertainty

As a result of the COVID-19 Coronavirus, economic uncertainties have arisen which may negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonably estimated at this time.

North Louisiana Economic Partnership, Inc.  
Schedule of Compensation, Benefits and Other Payments to Agency Head  
For the Year Ended December 31, 2020

Agency Head: Scott Martinez, President (1/1/20 - 8/15/20)

The following payments were made from public funds:

Salary	\$ 20,865
Retirement	2,910
Continuing professional education fees	849

Agency Head: Angie White, Interim President (8/16/20 - 12/31/20)

The following payments were made from public funds:

Salary	\$ 26,075
Retirement	1,050
Continuing professional education fees	584



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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  
North Louisiana Economic Partnership, Inc.

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 North Louisiana Economic Partnership, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered North Louisiana Economic Partnership, Inc.'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 North Louisiana Economic Partnership, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the North Louisiana Economic Partnership, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 North Louisiana Economic Partnership, Inc.'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Cook & Morehart  
Certified Public Accountants  
June 28, 2021

North Louisiana Economic Partnership, Inc.  
Summary Schedule of Audit Findings  
December 31, 2020

**Summary Schedule of Prior Audit Findings**

There were no findings reported for the prior year audit for the year ended December 31, 2019.

**Corrective Action Plan for Current Year Audit Findings**

There are no findings reported for the current year audit for the year ended December 31, 2020.