

LIVINGSTON ECONOMIC DEVELOPMENT COUNCIL, INC.

FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Livingston Economic Development Council, Inc.
Livingston, Louisiana
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December 31, 2016 and 2015

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**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
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American Institute of CPAs
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June 26, 2017

Independent Auditor's Report

Mr. David Bennett, President & CEO
and Members of the Executive Committee
Livingston Economic Development Council, Inc.
Livingston, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Livingston Economic Development Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Livingston Economic Development Council, Inc., as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

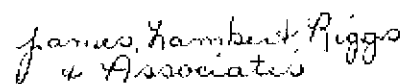
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits, and other payments to agency head is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other 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 26, 2017, on our consideration of the Livingston Economic Development Council, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Livingston Economic Development Council, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

Handwritten signature of James Lambert Riggs in cursive script.

James, Lambert, Riggs and Associates, Inc.
(A Professional Corporation)

Financial Statements

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Financial Position
December 31, 2016 and 2015

	2016	2015 (Restated)
Assets		
Current Assets:		
Cash and Cash Equivalents	\$ 624,690	\$ 595,541
Certificate of Deposit	388,017	386,890
Accounts Receivable	2,500	2,500
Lease Receivable	2,930	-
Total Current Assets	1,018,137	984,931
Non-Current Assets:		
Promises to Give, Net of Allowance of \$14,310 in 2016 and \$0 in 2015	128,790	210,100
Property and Equipment, Net of Accumulated Depreciation of \$29,314 and \$27,591 in 2016 and 2015	543,716	545,439
Total Non-Current Assets	672,506	755,539
Total Assets	\$ 1,690,643	\$ 1,740,470
Liabilities and Net Assets		
Liabilities:		
Accounts Payable	\$ -	\$ -
Deferred Revenue	15,295	24,333
Accrued Expenses	1,823	2,103
Total Liabilities	17,118	26,436
Net Assets:		
Temporarily Restricted	397,100	313,100
Unrestricted	1,276,425	1,400,934
Total Net Assets	1,673,525	1,714,034
Total Liabilities and Net Assets	\$ 1,690,643	\$ 1,740,470

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Activities
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u> (Restated)
Unrestricted Net Assets:		
Unrestricted Revenues:		
Grants:		
Parish	\$ 27,000	\$ 27,000
Interest Earnings	1,376	902
Membership Investments	30,149	45,027
Baton Rouge Area Chamber	9,875	13,167
Mortgage Finance Authority	30,000	30,000
Gain / (Loss) on Sale of Assets	-	49,754
Miscellaneous	<u>8,616</u>	<u>3,958</u>
Total Unrestricted Revenues	107,016	169,808
Net Assets Released from Restrictions	<u>110,245</u>	<u>158,898</u>
Total Unrestricted Revenues and Other Support	<u>217,261</u>	<u>328,706</u>
Expenses:		
Program Services	258,389	389,700
Supporting Activities:		
Management and General	69,071	81,349
Fundraising	<u>14,310</u>	<u>13,929</u>
Total Expenses	<u>341,770</u>	<u>484,978</u>
Change in Unrestricted Net Assets	<u>(124,509)</u>	<u>(156,272)</u>
Temporarily Restricted Net Assets:		
Hotel Occupancy Taxes	110,245	158,898
Livingston Tomorrow Pledges	84,000	313,100
Net Assets Released from Restrictions	<u>(110,245)</u>	<u>(158,898)</u>
Change in Temporarily Restricted Net Assets	<u>84,000</u>	<u>313,100</u>
Increase (Decrease) in Net Assets	(40,509)	156,828
Net Assets - Beginning of the Year, Restated	<u>1,714,034</u>	<u>1,557,206</u>
Net Assets - End of the Year	<u>\$ 1,673,525</u>	<u>\$ 1,714,034</u>

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Functional Expenses
For the Years Ended December 31, 2016 and 2015

	December 31, 2016				December 31, 2015			
	Program Services	Supporting Activities			Program Services	Supporting Activities		
		Mgmt. and General	Fundraising	Total		Mgmt. and General	Fundraising	Total
Advertising & promotion	\$ 33,405	\$ -	\$ -	\$ 33,405	\$ 39,455	\$ -	\$ -	\$ 39,455
Auto	-	7,818	-	7,818	-	9,407	-	9,407
Bad debt expense	-	-	14,310	14,310	-	-	13,929	13,929
Conferences & seminars	10,306	-	-	10,306	13,968	-	-	13,968
Consulting	-	-	-	-	-	14,000	-	14,000
Depreciation	1,723	-	-	1,723	1,667	329	-	1,996
Dues & subscriptions	2,358	-	-	2,358	3,576	-	-	3,576
Insurance	-	4,550	-	4,550	2,363	3,211	-	5,574
Miscellaneous	3,555	627	-	4,182	1,663	293	-	1,956
Office	-	7,472	-	7,472	-	7,455	-	7,455
Postage & freight	-	229	-	229	-	441	-	441
Professional fees	13,482	4,494	-	17,976	11,957	3,986	-	15,943
Rent	9,900	3,300	-	13,200	9,075	3,025	-	12,100
Repairs & maintenance	9,098	-	-	9,098	84,095	-	-	84,095
Salaries & benefits	174,562	39,591	-	214,153	221,881	37,495	-	259,376
Telephone	-	990	-	990	-	1,707	-	1,707
	<u>\$ 258,389</u>	<u>\$ 69,071</u>	<u>\$ 14,310</u>	<u>\$ 341,770</u>	<u>\$ 389,700</u>	<u>\$ 81,349</u>	<u>\$ 13,929</u>	<u>\$ 484,978</u>

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	2016	2015 (Restated)
Cash Flows from Operating Activities:		
Increase (decrease) in net assets	\$ (40,509)	\$ 156,828
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,723	1,996
Interest earned on certificates of deposit	(1,127)	(662)
(Gain) / loss on sale of land	-	(49,754)
(Increase) / decrease in accounts receivable	-	300
(Increase) / decrease in leases receivable	(2,930)	-
(Increase) / decrease in promises to give	81,310	(209,100)
Increase / (decrease) in deferred revenue	(9,038)	(3,016)
Increase / (decrease) in accrued expenses	(280)	(2,847)
Net cash provided by (used in) operating activities	29,149	(106,255)
 Net Increase (Decrease) in Cash and Cash Equivalents	 29,149	 (106,255)
 Cash and Cash Equivalents - Beginning of the Year	 595,541	 701,796
 Cash and Cash Equivalents - End of the Year	 \$ 624,690	 \$ 595,541
 Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -
 Noncash Investing Activities:		
Interest earned on and reinvested in certificates of deposit	\$ 1,127	\$ 662

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

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements
For the Years Ended December 31, 2016 and 2015

Introduction

The Livingston Economic Development Council, Inc. (“LEDC”) was formed in 1982 by business and elected leaders to promote and secure capital investment in Livingston Parish to increase the tax base and provide job opportunities in the Parish. LEDC is a private, not-for-profit organization located in Livingston, Louisiana. Currently, its activities include recruiting new or expanding business opportunities to the parish from outside sources, working with existing businesses and industries to encourage growth and expansion, and encouraging entrepreneurship and the formation of new businesses. LEDC’s major sources of revenue are hotel occupancy taxes from the State of Louisiana, grant income, and contributions from businesses and individuals.

1. Summary of Significant Accounting Policies

A. Basis of Accounting

In accordance with generally accepted accounting principles, the accompanying financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred.

B. Basis of Presentation

LEDC follows FASB Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, with regard to its financial statement presentation. Under ASC 958-210-45, LEDC is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. As of December 31, 2016, LEDC had temporarily restricted and unrestricted net assets.

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

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

C. Cash and Cash Equivalents

For reporting purposes, LEDC considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

D. Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period the promise is made and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. As promises to give are determined to be uncollectible, they are charged against the allowance for doubtful accounts.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

E. Allowance for Doubtful Accounts

Promises to give are stated net of an allowance for doubtful accounts. Prior to 2010, LEDC estimated the allowance based on an assessment of the donor's ability to pay. As a result of a downturn in the economy, during 2010 LEDC changed to estimating the allowance based on an analysis of specific donors, taking into consideration the age of past due amounts and changes in donor commitments. The allowance for doubtful accounts for promises to give was \$14,310 and \$0 at December 31, 2016 and 2015, respectively. It is the LEDC's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Bad debt expense for the years ended December 31, 2016 and 2015 was \$14,310 and \$13,929, respectively.

F. Property and Equipment

Property and equipment are recorded at historical cost and depreciated over the estimated useful lives of the assets using the straight-line method. Contributed property and equipment is recorded at fair value at the date of donation. LEDC capitalizes all assets that cost in excess of \$5,000 with a useful life exceeding one year. Routine repairs and maintenance are expensed as incurred.

G. Contributions

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

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

H. Temporarily Restricted Net Assets

LEDC receives funds from the Louisiana Department of the Treasury. The funds are annual Louisiana Legislative General Appropriations Act until requirements are met. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. For the years ended December 31, 2016 and 2015, LEDC held \$397,100 and \$313,100 of temporarily restricted net assets.

I. Concentrations of Credit Risk

Cash on Deposit and Uninsured Balances:

LEDC maintains its cash balances and certificates of deposit at various financial institutions. As of December 31, 2016 and 2015, LEDC's cash balances and certificates of deposit not covered from loss by the FDIC totaled \$0 and \$37,961, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

Source of Funding:

A significant amount of promises to give were provided by a few major contributors. It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. LEDC's market is concentrated in Baton Rouge, Louisiana, metro area.

LEDC's primary operating budget is sustained through funds received from the Louisiana Department of the Treasury. Funds received from the state of Louisiana accounted for approximately 36.59% and 24.76% of total revenue, during 2016 and 2015, respectively.

J. Functional Expense Reporting

The cost of providing program and support services has been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of LEDC.

K. Fair Value Measurements:

Fair value is the price LEDC would receive to sell an asset or pay to transfer a liability (exit price) in an orderly transaction between market participants. For those assets and liabilities recorded or disclosed at fair value, fair value is determined based upon the quoted market price, if available. If a quoted market price is not available for identical assets, fair value is determined based upon the quoted market price of similar assets or the present value of expected future cash flows considering the risks involved, including counterparty performance risk if appropriate, and using discount rates appropriate for the duration. The fair values are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation:

Level 1: Inputs based upon quoted prices in active markets for identical assets.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset (or liability), either directly or indirectly.

Level 3: Inputs are unobservable for the asset.

L. Compensated Absences

Compensated absences for personal time have not been accrued since they cannot be reasonably estimated. LEDC's policy is to recognize these costs when actually paid.

M. Advertising

Advertising costs are expensed as incurred. LEDC incurred \$33,405 and \$39,455 of advertising expenses during the years ended December 31, 2016 and 2015, respectively.

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

N. Income Taxes

LEDC is a not-for-profit organization that is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to the LEDC's tax-exempt purpose is subject to taxation as unrelated business income.

LEDC has adopted ASC 740-10, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in any entity's financial statements. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. The adoption of this interpretation had no material impact on LEDC's financial statements at December 31, 2016.

LEDC's tax returns for the years ended December 31, 2015, December 31, 2014, and December 31, 2013, remain open and subject to examination by taxing authorities.

O. Use of Estimates

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

2. **Cash**

Cash and cash equivalents at December 31, 2016 and 2015, consisted of the following:

	Balance <u>12/31/16</u>	Balance <u>12/31/15</u>
Bank Operating Accounts	\$ 375,898	\$ 346,998
Savings Account	<u>248,792</u>	<u>248,543</u>
	<u>\$ 624,690</u>	<u>\$ 595,541</u>

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

3. Certificates of Deposit

LEDC invests in certificates of deposit held by financial institutions. The following is a schedule of the certificates of deposit at December 31, 2016 and 2015:

	<u>Balance 12/31/16</u>	<u>Balance 12/31/15</u>
Certificates of Deposit		
First Guaranty Bank	142,314	121,919
Hancock Bank	55,876	55,180
Whitney Bank	<u>189,827</u>	<u>209,791</u>
Total Certificates of Deposit	<u>\$ 388,017</u>	<u>\$ 386,890</u>

4. Property and Equipment

A summary of property and equipment for the years ended December 31, 2016 and 2015, is as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 512,052	\$ 512,052
Equipment and Other	<u>60,978</u>	<u>60,978</u>
	573,030	573,030
Less: Accumulated Depreciation	<u>(29,314)</u>	<u>(27,591)</u>
Total	<u>\$ 543,716</u>	<u>\$ 545,439</u>

For the years ended December 31, 2016 and 2015, depreciation expense was \$1,723 and \$1,996, respectively.

5. Fair Value Measurements

The following table reflects assets and liabilities that are measured and carried at fair value on a recurring basis as of December 31, 2016:

	Quoted Prices in Active Markets for Identical Asset or Liability (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Carrying Value
Financial Assets:				
Cash & Cash Equivalents	\$ 624,690	\$ -	\$ -	\$ 624,690
Investment Securities	388,017	-	-	388,017

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

6. Pension Plan

LEDC has a Simple Retirement Plan in accordance with Internal Revenue Code Section 408(p). The plan allows LEDC to fund the IRA up to 3% of all full-time employees' gross salary. LEDC's expense for the IRA was \$6,055 and \$5,688 for the years ended December 31, 2016 and 2015, respectively.

7. Lease Commitments

During 2010, LEDC moved administrative offices to the Livingston Parish Council building, where office space is leased for \$1,100 a month. The lease with the Livingston Parish Council is for a period of five years, beginning July 1, 2010 through June 30, 2015. This lease was extended in 2015 for \$1,100 a month for a period of five years, beginning July 1, 2015 through June 30, 2020. Rent expense for leases for the years ended December 31, 2016 and 2015, was \$13,200 and \$12,100, respectively.

Annual rental commitments are as follows:

Years Ending December 31,	
2017	13,200
2018	13,200
2019	13,200
2020	<u>6,600</u>
Total Minimum Lease Payments	<u>\$ 46,200</u>

8. Promises to Give

LEDC has held fund-raising events over the past few years for the Livingston Tomorrow Campaign, in which cash and unconditional promises to give were received. Livingston Tomorrow is an economic development plan outlining the strategies and goals that will create new jobs with significantly higher wages; stable and growing tax base; new market opportunities for existing businesses; protection of existing business investments; individual engagement in the community growth; and unparalleled quality of life. The original Livingston Tomorrow Campaign began in 2007 and was closed during 2015, and any remaining receivables were written off against the existing allowance for doubtful accounts. The new Livingston Tomorrow Campaign began in 2015 with the same strategies and goals as the original campaign.

Unconditional promises to give consist of the following at December 31, 2016 and 2015:

	<u>2016</u>	<u>2015</u> (Restated)
Receivable in less than one year	\$ 47,500	\$ 49,500
Receivable in one to five years	<u>95,600</u>	<u>160,600</u>
Total unconditional promises to give	143,100	210,100
Less allowance for doubtful accounts	<u>(14,310)</u>	<u>-</u>
Net unconditional promises to give	<u>\$ 128,790</u>	<u>\$ 210,100</u>

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Notes to the Financial Statements (Continued)
For the Years Ended December 31, 2016 and 2015

9. Related Party Transactions

LEDC purchases insurance coverage from a company that is majority-owned by a member of LEDC's board of directors. Insurance coverage was obtained through a competitive award process and, in the opinion of management, the coverage obtained was the most favorable to LEDC. During the year ended December 31, 2016, LEDC paid the insurance agency \$4,550 for insurance coverage.

10. Restatement of December 31, 2015, Financial Statements

As a result of audit tests performed during the December 31, 2016 audit, it was discovered that pledges received by LEDC for the year ended December 31, 2015, were insufficiently documented, resulting in a material misstatement of both pledge revenue and pledge receivables. LEDC is taking corrective action to ensure that future pledges will be accounted for appropriately. The effect of the restatement of the December 31, 2015, financial statements is as follows:

	<u>Before Restatement</u>	<u>Adjustment</u>	<u>Restated</u>
Pledge Revenue	589,850	(276,750)	313,100
Miscellaneous Income	3,708	250	3,958
Change in Net Assets	433,328	(276,500)	156,828
Pledge Receivables	486,600	(276,500)	210,100
Net Assets	1,990,534	(276,500)	1,714,034

11. Date of Management's Review

Subsequent events have been evaluated through June 26, 2017, which is the date the financial statements were available to be issued.

Other Supplemental Information:

**Schedule of Compensation, Benefits, and Other Payments to
Agency Head**

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2016

Agency Head: President & CEO

<u>Purpose</u>	<u>Larry Collins</u> <u>01/01/16</u> <u>through</u> <u>01/29/16</u>	<u>David Bennett</u> <u>04/25/16</u> <u>through</u> <u>12/31/16</u>	<u>Total</u> <u>Amount</u>
Salary	\$ 12,083	\$ 77,409	\$ 89,492
Benefits - Insurance	-	-	-
Benefits - Retirement	-	-	-
Deferred Compensation	-	-	-
Benefits - Other - Supplemental Pay	-	-	-
Car Allowance	-	-	-
Vehicle Provided by Government	-	-	-
Vehicle Rental	-	-	-
Cell Phone	-	-	-
Dues	-	-	-
Per Diem	-	-	-
Reimbursements	-	-	-
Travel	-	-	-
Registration Fees	-	-	-
Conference Travel	-	-	-
Housing	-	-	-
Unvouchered Expenses	-	-	-
Special Meals	-	-	-
Other	-	-	-
	<u>\$ 12,083</u>	<u>\$ 77,409</u>	<u>\$ 89,492</u>

See auditor's report.

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

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June 26, 2017

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Mr. David Bennett, President & CEO
and Members of the Executive Committee
Livingston Economic Development Council, Inc.
Livingston, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Livingston Economic Development Council, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Livingston Economic Development Council, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Livingston Economic Development Council, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

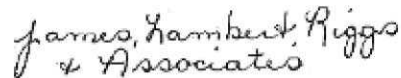
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Livingston Economic Development Council, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James, Lambert, Riggs and Associates, Inc.
(A Professional Corporation)

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Current Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2016

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

Livingston Economic Development Council, Inc.
Livingston, Louisiana
Schedule of Prior Year Findings, Recommendations, and Responses
For the Year Ended December 31, 2016

<u>Ref. #</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Taken</u>
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Internal Control over Financial Reporting

None

Compliance and Other Matters

None

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