

**ACADIANA CRIMINALISTICS
LABORATORY COMMISSION**

FINANCIAL REPORT

DECEMBER 31, 2023

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INDEPENDENT AUDITORS' REPORT

To Acadiana Criminalistics
Laboratory Commission
New Iberia, Louisiana

Report of the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Acadiana Criminalistics Laboratory Commission as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. 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 Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Commission'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 Commission'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

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule and note to the budgetary comparison schedule, on pages 32 and 33, the schedules of the proportionate share of the net pension liability (asset) and notes to the schedules of the proportionate share of the net pension liability (asset) on pages 34 and 35 and the schedules of pension contributions and notes to the schedules of pension contributions on pages 36 and 37 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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 opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of compensation, benefits and other payments to agency head and justice system funding schedule – receiving entity are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of

compensation, benefits and other payments to agency head is fairly stated, in all material respects, in relation to the basic 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 25, 2024, on our consideration of the Commission'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 of the effectiveness of the Commission'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 Commission's internal control over financial reporting and compliance.



Lafayette, Louisiana
June 25, 2024

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF NET POSITION

December 31, 2023

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

ASSETS

Cash	\$ 508,522
Investments	1,332
Due from other governmental agencies	306,770
Other receivables	486
Capital assets:	
Non-depreciable	690,187
Depreciable, net	920,879
Right of use lease assets, net of accumulated amortization	<u>114,269</u>
Total assets	<u>\$ 2,542,445</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions subsequent to plan measurement	\$ 199,479
Net difference between actual and projected investment earnings on pension plan investments	995,079
Difference between expected and actual experience	34,850
Change in assumptions	<u>30,082</u>
Total deferred outflows of resources	<u>\$ 1,259,490</u>

Total assets and deferred outflows of resources	<u>\$ 3,801,935</u>
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ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF NET POSITION

December 31, 2023

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

LIABILITIES

Accounts payable	\$ 11,810
Accrued liabilities	96,731
Long-term liabilities:	
Portion due or payable within one year –	
Accrued compensated absences	30,972
Lease liabilities	25,507
Portion due or payable after one year –	
Accrued compensated absences	3,768
Net pension liability	942,596
Lease liabilities	<u>91,283</u>
Total liabilities	<u>\$ 1,202,667</u>

DEFERRED INFLOWS OF RESOURCES

Difference between expected and actual experience	\$ 103,851
Change in proportionate share of pension plan from prior year	<u>32,548</u>
Total deferred inflows of resources	<u>\$ 136,399</u>

NET POSITION

Net investment in capital assets	\$ 1,611,066
Unrestricted	<u>851,803</u>
Total net position	<u>\$ 2,462,869</u>

Total liabilities, deferred inflows of resources and net position \$ 3,801,935

See Notes to Financial Statements.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

<u>Function/Program</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
<u>Governmental activities:</u>		<u>for Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Change in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Governmental</u>
					<u>Activities</u>
Public safety	<u>\$ 3,528,268</u>	<u>\$ 2,800,749</u>	<u>\$ 610,124</u>	<u>\$ 189,067</u>	<u>\$ 71,672</u>
		General revenues:			
					\$ 8,880
					<u>3,070</u>
					<u>\$ 11,950</u>
					\$ 83,622
					<u>2,379,247</u>
					<u>\$ 2,462,869</u>

See Notes to Financial Statements.

FUND FINANCIAL STATEMENTS

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2023

ASSETS	<u>General Fund</u>
Cash	\$ 508,522
Investments	1,332
Due from other governmental agencies	306,770
Other receivables	<u>486</u>
Total assets	<u>\$ 817,110</u>
LIABILITIES AND FUND BALANCE	
LIABILITIES	
Accounts payable	\$ 11,810
Accrued liabilities	<u>96,731</u>
Total liabilities	\$ 108,541
FUND BALANCE	
Unassigned	<u>708,569</u>
Total liabilities and fund balance	<u>\$ 817,110</u>

See Notes to Financial Statements.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2023

Total fund balance – governmental fund		\$ 708,569
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. Those assets consist of:		
Land	\$ 43,111	
Construction in progress	647,076	
Building and improvements, net	316,770	
Furniture, fixtures and equipment, net	<u>604,109</u>	1,611,066
Long-term liabilities (assets), including accrued compensated absences, retirement obligations, and lease obligations applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities (assets), both current and long-term, are reported in the statement of net position. Those long-term liabilities (assets) consist of:		
Compensated absences	\$ (34,740)	
Net pension asset (liability)	(942,596)	
Right of use assets, net	114,269	
Lease liabilities	<u>(116,790)</u>	(979,857)
Deferred outflows and inflows of resources related to pensions and applicable to future periods and, therefore, are not reported in the funds:		
Pension contributions subsequent to plan measurement	\$ 199,479	
Change in proportionate share of pension plan from prior year	(32,548)	
Changes in assumptions	30,082	
Net difference between actual and projected investment earnings of pension plan investments	995,079	
Difference between expected and actual experience	<u>(69,001)</u>	<u>1,123,091</u>
Total net position of governmental activities		<u>\$ 2,462,869</u>

See Notes to Financial Statements.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended December 31, 2023

	<u>General Fund</u>
Revenues:	
Intergovernmental	\$ 799,191
Charges for services	2,800,749
Investment earnings	<u>8,880</u>
Total revenues	<u>\$ 3,608,820</u>
Expenditures:	
Current –	
Public safety	\$ 3,157,885
Capital outlay	<u>565,316</u>
Total expenditures	<u>\$ 3,723,201</u>
Deficiency of revenues over expenditures	\$ (114,381)
Other financing sources:	
Proceeds from insurance claims	<u>3,070</u>
Net change in fund balance	\$ (111,311)
Fund balance, beginning	<u>819,880</u>
Fund balance, ending	<u>\$ 708,569</u>

See Notes to Financial Statements.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
 TO THE STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2023

Net change in fund balance – governmental fund \$ (111,311)

The change in net position reported for governmental activities in the statement of activities is different because:

The governmental fund reports capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 565,316	
Depreciation expense	<u>(193,728)</u>	371,588

Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental fund

Increase in accrued compensated absences for the current period.	\$ (10,132)	
Net amortization of lease liabilities	<u>(2,521)</u>	(12,653)

The effect of net pension liability, deferred outflow of resources and deferred inflows of resources related to changes in the net pension obligation:

Commission's pension contributions for the fiscal year ended December 31, 2023 which were made after the measurement date of the net pension liability	\$ (172,344)	
Cost of benefits earned net of employee contributions (pension expense)	<u>8,342</u>	<u>(164,002)</u>

Change in net position of governmental activities \$ 83,622

See Notes to Financial Statements.

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ACADIANA CRIMINALISTICS LABORATORY COMMISSION

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of Acadiana Criminalistics Laboratory Commission (the "Commission") have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Commission are described below.

Reporting entity:

The Commission was created in accordance with Louisiana Revised Statute 40:2267.1. The Commission is governed by a 21 member Board of Commissioners, who serve without pay, comprised of the parish president of Iberia Parish, the sheriffs, district attorneys, and one council/police jury member appointed by the parish councils/police juries of Acadia, Evangeline, Iberia, Lafayette, St. Landry, St. Martin, St. Mary, and Vermilion Parishes. The Commission is charged with crime detection, prevention, investigation, and other related activities in connection with criminal investigation.

The operations of the Commission are administered through a director and are financed primarily through court costs collected by the various sheriffs and city courts. The Commission serves the southwest Louisiana parishes enumerated above with operations located in Iberia Parish.

Basis of presentation:

The Commission's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units.

Government-wide financial statements –

The government-wide financial statements include the statement of net position and the statement of activities of the Commission. These statements include the financial activities of the overall government. Governmental activities generally are financed through intergovernmental revenues and other nonexchange transactions.

In the government-wide statement of net position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Commission's net position is reported in two parts - net investment in capital assets and unrestricted.

The government-wide statement of activities reports both the gross and net cost of the Commission's function. The function is also supported by general government revenues (investment income, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net cost (by function) is normally covered by general revenue (intergovernmental revenues, interest income, etc.).

NOTES TO FINANCIAL STATEMENTS

The government-wide focus is more on the sustainability of the Commission as an entity and the change in the Commission's net position resulting from the current year's activities.

Fund financial statements –

The fund financial statements provide information about the Commission's funds. The emphasis of fund financial statements is on major governmental funds. The Commission has only one fund, its General Fund. The General Fund is the Commission's general operating fund. It is used to account for all of the financial resources of the Commission.

Basis of accounting:

Government-wide financial statements –

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Fund financial statements –

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. All receivables collected within 60 days after year end are considered available and recognized as revenue of the current year.

Expenditures are recorded when the related fund liability is incurred, except for compensated absences, lease liabilities and the net pension liability, which are not accrued, and principal and interest on general long-term debt, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources in governmental funds.

Cash and investments:

Cash consists of amounts in demand deposit accounts for the Commission and short-term investments.

Investments include amounts invested in Louisiana Asset Management Pool, Inc. (LAMP). State statutes authorize the Commission to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. LAMP is a local government investment pool initiated by the Louisiana Treasurer's office and invests its assets only in securities and other obligations that are permissible under Louisiana State law for local governments.

Capital assets:

The accounting treatment over property, plant, and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

NOTES TO FINANCIAL STATEMENTS

In the government-wide financial statements, property, plant, and equipment are accounted for as capital assets. All capital assets are valued at cost or estimated historical cost. Donated capital assets are recorded at their fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation on all capital assets, excluding land and improvements, is calculated on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and improvements	5 – 39
Furniture, fixtures, and equipment	5 – 7
Vehicles	5

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Leases:

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, our entity recognizes leases on the statement of net position as lease liabilities and corresponding intangible right of use assets. This standard applies to all leasing arrangements with a term greater than 12 months, unless the lease transfers ownership of the underlying asset or provides for a purchase option that is reasonably certain to be exercised. Leases with a term of 12 months or less that do not provide an option to purchase the underlying asset that is reasonably certain to be exercised are not recorded on the statement of net position. Lease payments associated with short-term leases are recognized as outflows of resources (expenses) on a straight-line basis over the lease term. We recognize a lease liability and a corresponding right of use asset at the commencement date of each lease. The lease liability is measured at the present value of the lease payments over the lease term, using the incremental borrowing rate unless the rate implicit in the lease is readily determinable. The right of use asset includes the initial measurement of the lease liability, adjusted for any prepayments, lease incentives received, and initial direct costs incurred.

If a lease is modified, and the modification is not accounted for as a separate contract, we remeasure the lease liability using a discount rate determined at the modification date. The right of use asset is adjusted to reflect the remeasured lease liability, with any difference recognized in the statement of revenues, expenses, and changes in net position.

All leases are classified as finance leases. No leases are classified as operating leases under the current GASB 87 standard.

Subscription-Based Information Technology Arrangements:

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*, our entity recognizes subscription-based IT arrangements as right-to-use subscription assets and corresponding subscription liabilities. This standard applies to all contracts that convey control of the right to use another party's IT software, along with related hardware and services, for a period of time in an exchange transaction. Arrangements with a term of 12 months or less that do not provide a transfer of ownership or a bargain purchase option are considered short-term subscriptions. Expenses for short-term subscriptions are recognized on a straight-line basis over the subscription term. We recognize a subscription liability and a corresponding subscription asset at the commencement of the subscription term, when the subscription is accessible. The subscription liability is measured at the present value of subscription payments expected to be made during the term of the subscription. The corresponding subscription asset is measured at the same amount as the subscription liability, adjusted for any payments made to the provider before access to the IT resources was granted and

NOTES TO FINANCIAL STATEMENTS

any capitalizable implementation costs. The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the public asset. Amortization of the subscription asset and interest expense related to the subscription liability are recognized in the statement of revenues, expenses, and changes in net position.

If a subscription is modified and the modification is not accounted for as a separate contract, the subscription liability and asset are remeasured based on the modification terms. Any penalties or fees incurred due to termination of the subscription before the end of the term are recognized as an outflow of resources when incurred.

Compensated absences:

Employees of the Commission earn vacation pay at the rate of 4 to 12 hours per month. With the exception of the Director, employees may carry forward vacation time earned but not taken with a 40 hour limitation. Any excess above 40 hours is automatically converted to sick leave. The Director's carryforward hours are unlimited. Unused vacation is paid to an employee upon retirement or resignation at the hourly rate being earned by that employee upon separation. No payment is made for accrued and unused sick leave.

In the government-wide statements, the Commission accrues accumulated unpaid vacation leave and associated related costs when earned (or estimated to be earned) by the employee. The current portion is the amount estimated to be used/paid in the following year. The remainder is reported as non-current. No compensated absences liability is recorded in the governmental fund financial statements.

Deferred outflows/inflows of resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net position flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption:

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumptions must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

NOTES TO FINANCIAL STATEMENTS

Equity classifications:

Government-wide statements –

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – consists of capital assets net of accumulated depreciation less any associated debt.
- b. Restricted net position – consists of net position with constraints placed on the use either by (1) external groups, such as creditors grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “net investment in capital assets.”

The Commission has no restricted net position as of December 31, 2023.

Fund statements –

The Commission has adopted GASB Statement 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

NOTES TO FINANCIAL STATEMENTS

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adopted accounting standards:

The Governmental Accounting Standards Board (GASB) issued *GASB Statement No. 96 – Subscription-Based Information Technology Arrangements*. The requirements of this Statement were effective for reporting periods beginning after June 15, 2022. The objective of this statement is to better meet the information needs of financial statements users establishing uniform accounting and financial reporting requirements for subscription-based information technology arrangements (SBITA), improving the comparability of financial statements among governments that have entered into SBITAs and enhancing the understandability, reliability, relevance and consistency of information about SBITAs. Under this Statement, a governmental entity should recognize a right-to-use subscription asset and a corresponding subscription liability. This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months or less. Subscription payments for short-term SBITAs should be recognized as outflows of resources. Any changes related to the adoption of this statement will be applied retroactively by restating any prior periods presented unless not practicable in which case a cumulative effect of application will be reported as a restatement of beginning net position for the earliest period restated. The District adopted this statement effective January 1, 2023. The effects of adoption were not material to the financial statements.

Note 2. Cash and Investments

Custodial Credit Risk – The custodial credit risk is the risk that in the event of a bank failure, the Commission’s deposits may result in a loss of those assets. The Commission’s policy to ensure that there is no exposure to this risk is to require the financial institutions to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. At December 31, 2023, the carrying amount of the Commission’s demand deposits held with a local bank was \$508,522 and the bank balance was \$534,625. Of the bank balance, \$250,000 was secured from risk by federal deposit insurance and remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent has failed to pay deposited funds upon demand.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Commission will only invest in the following: (1) direct United States Treasury obligations, (2) bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and provided such obligations are backed by the full faith and credit of the United States or guaranteed by United States government instrumentalities, (3) direct security repurchase agreements of any federal bank entry only securities, (4) time certificates of deposit, and (5) mutual trust fund institutions which are registered with the Securities and Exchange Commission which have underlying investments consisting solely of and limited to securities of the United States government or its agencies, limited to 25% of the monies considered available for investment.

NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission requires all investments to be in the Commission’s name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Commission. Accordingly, the Commission had no custodial credit risk related to its investments at December 31, 2023.

Credit Risk/Concentration of Credit Risk - Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission limits investments to fully insured and/or fully-collateralized certificates of deposits and investment in the Louisiana Asset Management Pool (LAMP).

The LAMP is an investment pool established as a cooperative endeavor to enable the public entities of the State of Louisiana to aggregate funds for investment; the LAMP is not registered with the Securities and Exchange Commission (SEC) as an investment company. The LAMP is operated by a non-profit corporation, Louisiana Asset Management Pool, Inc., whose officers include the President, normally the Treasurer of the State of Louisiana, and a Secretary/Treasurer who is charged with the day-to-day operations of the program. LAMP, Inc. is governed by a Board of Directors consisting of nine to fourteen members elected each year by the participating entities.

The LAMP is intended to improve administrative efficiency and increase investment yield of participating public entities. The LAMP’s portfolio securities are valued at market value even though the amortized cost method is permitted by Rule 2a-7 of the Investment Company Act of 1940, as amended, which governs registered money market funds, although LAMP is not a money market fund and has no obligation to conform to this rule. The investment objectives of the LAMP are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, and maximize the return on the pool. The LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there can be no assurance that LAMP will be able to achieve this objective.

The dollar weighted average portfolio maturity of the LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in the LAMP are stated at fair value based on quoted market rates. The fair value is determined on a weekly basis by the LAMP and the fair value of the position of the pool is the same as the net asset value of the pool shares. LAMP is rated AAAM by Standard & Poor’s. The total amount invested in LAMP at December 31, 2023 was \$1,332.

NOTES TO FINANCIAL STATEMENTS

Note 3. Capital Assets

Capital assets activity for the year ended December 31, 2023 is as follow:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated –				
Land	\$ 43,111	\$ -	\$ -	\$ 43,111
Construction in progress	<u>389,694</u>	<u>257,382</u>	<u>-</u>	<u>647,076</u>
Total capital assets not being depreciated	<u>\$ 432,805</u>	<u>\$ 257,382</u>	<u>\$ -</u>	<u>\$ 690,187</u>
Capital assets being depreciated –				
Building and improvements	\$ 953,519	\$ -	\$ -	\$ 953,519
Furniture, fixtures and equipment	2,667,507	307,934	-	2,975,441
Vehicles	<u>15,353</u>	<u>-</u>	<u>(15,353)</u>	<u>-</u>
Total capital assets being depreciated	<u>\$ 3,636,379</u>	<u>\$ 307,934</u>	<u>\$ (15,353)</u>	<u>\$ 3,928,960</u>
Less accumulated depreciation for –				
Building and improvements	\$ (610,989)	\$ (25,760)	\$ -	\$ (636,749)
Furniture, fixtures and equipment	(2,203,364)	(167,968)	-	(2,371,332)
Vehicles	<u>(15,353)</u>	<u>-</u>	<u>15,353</u>	<u>-</u>
Total accumulated depreciation	<u>\$ (2,829,706)</u>	<u>\$ (193,728)</u>	<u>\$ 15,353</u>	<u>\$ (3,008,081)</u>
Total capital assets being depreciated, net	<u>\$ 806,673</u>	<u>\$ 114,206</u>	<u>\$ -</u>	<u>\$ 920,879</u>
Governmental activities capital assets, net	<u>\$ 1,239,478</u>	<u>\$ 371,588</u>	<u>\$ -</u>	<u>\$ 1,611,066</u>

Depreciation expense was charged to functions as follows:

Public safety	<u>\$ 193,728</u>
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Note 4. Long-Term Liabilities

During the year ended December 31, 2023, the following changes occurred in the liabilities reported as long-term liabilities:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amount due In One Year</u>
Net pension liability (asset)	\$ (1,031,204)	\$ 1,973,800	\$ -	\$ 942,596	\$ -
Compensated absences	<u>24,608</u>	<u>10,132</u>	<u>-</u>	<u>34,740</u>	<u>30,972</u>
	<u>\$ (1,006,596)</u>	<u>\$ 1,983,932</u>	<u>\$ -</u>	<u>\$ 977,336</u>	<u>\$ 30,972</u>
Lease liabilities				<u>116,790</u>	<u>25,507</u>
Total long-term liabilities				<u>\$ 1,094,126</u>	<u>\$ 56,479</u>

NOTES TO FINANCIAL STATEMENTS

Note 5. Compensation of Commission Members

No compensation was paid to Commission members during the year ended December 31, 2023.

Note 6. Pension Plan

Substantially, all of the employees of the Commission are members of the Parochial Employees' Retirement System of Louisiana.

Plan description:

The Parochial Employees' Retirement System of Louisiana is the administrator of a cost-sharing, multiple employer defined benefit pension plan. The System was established and provided for by R.S. 11:1901 of the Louisiana Revised Statute (LRS).

The System provides retirement benefits to employees of taxing districts of a parish or any branch or section of a parish within the state which does not have its own retirement system and which elects to become members of the System. Employees of the Commission are members of Plan A.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate.

As of January 1997, elected officials, except coroners, justices of the peace and parish presidents may no longer join the Retirement System.

Retirement benefits:

Any member of Plan A can retire providing he/she meets one of the following criteria:

For employees hired prior to January 1, 2007:

1. Any age with thirty (30) or more years of creditable service.
2. Age 55 with a twenty-five (25) years of creditable service.
3. Age 60 with a minimum of ten (10) years of creditable service.
4. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

1. Age 55 with thirty (30) years of service.
2. Age 62 with ten (10) of service.
3. Age 67 with seven (7) years of service.

Generally, the monthly amount of the retirement allowance for any member of Plan A shall consist of an amount equal to three percent of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

NOTES TO FINANCIAL STATEMENTS

Survivor benefits:

Upon death of any member of Plan A with five (5) or more years of creditable service, who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes.

Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the Retirement System. DROP is an option for that member who is eligible for normal retirement.

In lieu of terminating employment and accepting a service retirement, any member of Plan A who is eligible to retire may elect to participate in the DROP in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account.

Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

For individuals who become eligible to participate in the DROP on or after January 1, 2004, all amounts which remain credited to the individual's subaccount after termination in DROP will be placed in liquid asset money market investments at the discretion of the board of trustees. These subaccounts may be credited with interest based on money market rates of return, or at the option of the System, the funds may be credited to self-directed subaccounts. The participant in the self-directed portion of DROP must agree that the benefits payable to the participant are not the obligations of the state or the System, and that any returns and other rights of DROP are the sole liability and responsibility of the participant and the designated provider to which contributions have been made.

Disability benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to three percent of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2007 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of living increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement

NOTES TO FINANCIAL STATEMENTS

and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions:

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2022, the actuarially determined contribution rate was 7.10% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2022 was 11.50% for Plan A.

According to state statute, the System also receives ¼ of 1% of ad valorem taxes collected within the respective parishes except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-contributing entities.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:

At December 31, 2023, the Commission reported a liability of \$942,596 for its proportionate share of the net pension liability. The net pension asset was measured as of December 31, 2022 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2022, the Commission's proportion was .244907% of Plan A, which was an increase of .025988% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the Commission recognized pension expense of \$386,529, which includes the employer's net amortization of deferred amounts from changes in proportion of \$16,032 and proportionate share of plan pension expense of \$402,561.

At December 31, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between actual and projected investment earnings on pension plan investments	\$ 995,079	\$ -
Change in proportionate share from prior year	-	32,548
Change in assumptions	30,082	-
Differences between expected and actual experience	34,850	103,851
Employer contributions subsequent to the measurement date	<u>199,479</u>	<u>-</u>
	<u>\$ 1,259,490</u>	<u>\$ 136,399</u>

NOTES TO FINANCIAL STATEMENTS

That portion of the deferred outflow of resources reported above in the amount of \$199,479 results from Commission contributions to the retirement system subsequent to the measurement date, and will be recognized as a reduction of the net pension asset in the year ended December 31, 2023 when the net pension asset measurement date will be December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ended:	
2024	\$ 13,273
2025	151,884
2026	312,364
2027	<u>446,091</u>
	<u>\$ 923,612</u>

Actuarial Methods and Assumptions:

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2022 are as follows:

Valuation date:	December 31, 2022
Actuarial cost method:	Entry Age Normal
Investment rate of return:	6.40%, net of investment expense, including inflation
Expected remaining service lives:	4 Years
Projected salary increases:	4.75%
Cost of living adjustments:	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees
Mortality:	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality
Inflation rate:	2.30%

The discount rate used to measure the total pension liability was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates

NOTES TO FINANCIAL STATEMENTS

are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.10% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.70% for the year ended December 31, 2022.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	1.17%
Equity	51%	3.58%
Alternatives	14%	0.73%
Real estate	<u>2%</u>	<u>0.12%</u>
Totals	<u>100%</u>	5.60%
Inflation		<u>2.10%</u>
Expected arithmetic nominal return		<u>7.70%</u>

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2013 through December 31, 2017. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of the study, mortality for employees was set to equal the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set equal to the Pub-2010 Public Retirement plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Changes in the Discount Rate:

The following presents the Commission's proportionate share of the net pension liability/(asset) as of December 31, 2022 calculated using the discount rate of 6.40%, as well as what the Commission's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower 5.40% or one percentage-point higher 7.40% than the current rate:

	<u>1% Decrease 5.40%</u>	<u>Current Discount Rate 6.40%</u>	<u>1% Increase 7.40%</u>
Employer's proportionate share of the net pension liability (asset)	<u>\$ 2,331,071</u>	<u>\$ 942,596</u>	<u>\$ (221,463)</u>

NOTES TO FINANCIAL STATEMENTS

Retirement System Audit Report:

The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2022. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.la.state.la.us.

Note 7. Due From Other Governmental Agencies

Amounts due from other governmental agencies consist of the following at December 31, 2023:

State of Louisiana:		
Federal pass-through grant funds	\$	87,590
Court costs due from various courts		<u>219,180</u>
	\$	<u>306,770</u>

Note 8. Leases

On April 9, 2020, the Commission entered into a lease agreement with U.S. Bank Equipment Finance for the lease of copiers. The lease is for a period of 60 months with a monthly payment of \$2,229, with an interest rate of 0.37%, with a maturity date of April 9, 2025.

On June 16, 2022, the Commission entered into a lease agreement with U.S. Bank Equipment Finance for the lease of copiers. The lease is for a period of 60 months with a monthly payment of \$177, with an interest rate of 4.1%, with a maturity date of June 16, 2027.

On January 7, 2023, the Commission entered into a lease agreement with U.S. Bank Equipment Finance for the lease of a copier. The lease is for a period of 60 months with a monthly payment of \$949, with an interest rate of 5.33%, with a maturity date of January 7, 2028.

On August 7, 2023, the Commission entered into a lease agreement with U.S. Bank Equipment Finance for the lease of copiers. The lease is for a period of 63 months with a monthly payment of \$1,461, with an interest rate of 5.33%, with a maturity date of November 7, 2028.

The summary of lease asset activity during the year ended December 31, 2023 is as follows:

	<u>Balance</u> <u>1/1/2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2023</u>
Lease assets:				
Equipment	\$ -	\$ 217,200	\$ (84,221)	\$ 132,979
Lease accumulated amortization	<u>-</u>	<u>(57,710)</u>	<u>39,000</u>	<u>(18,710)</u>
Total lease assets being amortized, net	<u>\$ -</u>	<u>\$ 159,490</u>	<u>\$ (45,221)</u>	<u>\$ 114,269</u>

NOTES TO FINANCIAL STATEMENTS

The summary of the changes in the lease liabilities during the year ended December 31, 2023 is as follows:

	Balance 1/1/2023	Additions	Remeasure- ments	Deductions	Balance 12/31/2023	Amounts due within one year
Lease liabilities	\$ <u>-</u>	\$ <u>189,637</u>	\$ <u>(17,608)</u>	\$ <u>(55,239)</u>	\$ <u>116,790</u>	\$ <u>25,507</u>

Scheduled principal and interest repayments on lease liabilities are as follows:

Years Ending December 31,	Principal	Interest
2024	\$ 25,507	\$ 5,537
2025	26,876	4,168
2026	28,319	2,725
2027	27,457	1,222
2028	8,631	135
Total	\$ 116,790	\$ 13,787

Note 9. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission purchases commercial insurance to cover any claims related to these risks.

Note 10. Contingent Liabilities

The Commission receives grants for specific purposes that are subject to review and audit by the agencies providing the funding. Such audits and reviews could result in expenses being disallowed under the terms and conditions of the grants. In the opinion of management, such disallowances, if any, would be immaterial.

Note 11. New Crime Laboratory, Planning, Design, Construction and Equipment Project

The Capital Outlay Act requires that appropriations for Non-State Entities such as the Commission be administered by the Louisiana State Division of Administration, Office of Facility Planning and Control, under a Cooperative Endeavor Agreement. This Cooperative Endeavor Agreement between the State of Louisiana and the Commission was executed on February 18, 2019. The Commission is responsible for providing 25% in matching funds per the capital outlay requirements.

In March 2023, the construction contract for this project was awarded to The Lemoine Company, LLC, with a guaranteed maximum price of \$25,998,286. As of December 31, 2023, construction had not commenced.

As of December 31, 2023, the Commission had an open engineering contract for this project with a remaining commitment in the amount of \$629,731.

As of December 31, 2023, there was \$647,076 in construction in progress for cost incurred on this project.

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REQUIRED SUPPLEMENTARY INFORMATION

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental – federal and state grants	\$ 790,394	\$ 790,394	\$ 799,191	\$ 8,797
Charges for services	2,669,803	2,669,803	2,800,749	130,946
Investment earnings	71	71	8,880	8,809
Miscellaneous	<u>30,954</u>	<u>30,954</u>	<u>-</u>	<u>(30,954)</u>
Total revenues	<u>\$3,491,222</u>	<u>\$3,491,222</u>	<u>\$3,608,820</u>	<u>\$ 117,598</u>
Expenditures:				
Current –				
Public safety:				
Personnel costs	\$1,992,803	\$1,992,803	\$1,991,043	\$ 1,760
Workers' compensation	10,139	10,139	9,987	152
Travel and training	17,661	17,661	28,733	(11,072)
Printing	2,344	2,344	373	1,971
Telephone and utilities	52,758	52,758	52,581	177
Equipment rental	32,951	32,951	38,769	(5,818)
Repairs and maintenance	106,239	106,239	129,975	(23,736)
Insurance	100,882	100,882	111,442	(10,560)
Office supplies	18,875	18,875	27,344	(8,469)
Postage and shipping	1,773	1,773	1,273	500
Lab supplies	241,481	241,481	340,678	(99,197)
Vehicle and maintenance supplies	2,747	2,747	2,210	537
Professional services	88,966	88,966	97,413	(8,447)
DNA services	20,000	20,000	11,190	8,810
Grant expenditures	468,729	468,729	303,438	165,291
Other	11,208	11,208	11,436	(228)
Capital outlay	<u>526,488</u>	<u>526,488</u>	<u>565,316</u>	<u>(38,828)</u>
Total expenditures	<u>\$3,696,044</u>	<u>\$3,696,044</u>	<u>\$3,723,201</u>	<u>\$ (27,157)</u>
Deficiency of revenues over expenditures	\$ (204,822)	\$ (204,822)	\$ (114,381)	\$ (90,441)
Other financing sources:				
Proceeds from insurance claims	<u>-</u>	<u>-</u>	<u>3,070</u>	<u>(3,070)</u>
Net change in fund balance	\$ (204,822)	\$ (204,822)	\$ (111,311)	\$ 93,511
Fund balance, beginning	<u>819,880</u>	<u>819,880</u>	<u>819,880</u>	<u>-</u>
Fund balance, ending	<u>\$ 615,058</u>	<u>\$ 615,058</u>	<u>\$ 708,569</u>	<u>\$ 93,511</u>

See Note to Budgetary Comparison Schedule.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

The Acadiana Criminalistics Laboratory Commission follows the procedures detailed below in adopting its budget.

1. The budget for the General Fund is proposed by the Director and formally approved and adopted by the Commission. It is then sent to the eight parishes served by the Commission and must be approved by a majority.
2. Once adopted, any amendments must be approved by the Commission. The budget procedure is in accordance with Section E of Louisiana Revised Statute 40:2266.1.

All budgeted amounts presented as required supplementary information reflect the original budget and the final budget (which has been adjusted for legally authorized revisions during the year).

Note 2. Stewardship, Compliance and Accountability

Excess of Expenditures Over Appropriations. The following individual fund had actual expenditures in excess of appropriations for the year ended December 31, 2023:

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
General Fund	<u>\$ 3,696,044</u>	<u>\$ 3,696,044</u>	<u>\$ 3,723,201</u>	<u>\$ (27,157)</u>

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULES OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)

For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

<u>Fiscal Year*</u>	<u>Commission's proportion of the net pension liability (asset)</u>	<u>Commission's proportionate share of the net pension liability (asset)</u>	<u>Commission's covered payroll</u>	<u>Commission's proportionate share of the net pension liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014	0.276413%	\$ 19,643	\$ 1,458,146	1.35%	92.49%
2015	0.245042%	\$ 66,997	\$ 1,384,364	4.84%	99.15%
2016	0.227945%	\$ 600,017	\$ 1,306,941	45.91%	92.23%
2017	0.233695%	\$ 481,298	\$ 1,385,942	34.73%	94.15%
2018	0.238197%	\$ (176,801)	\$ 1,466,142	-12.06%	101.98%
2019	0.253221%	\$ 1,123,886	\$ 1,445,587	77.75%	88.86%
2020	0.258792%	\$ 12,183	\$ 1,640,936	0.74%	99.89%
2021	0.236001%	\$ (413,807)	\$ 1,559,686	-26.53%	104.00%
2022	0.218919%	\$ (1,031,204)	\$ 1,468,799	-70.21%	110.46%
2023	0.244907%	\$ 942,596	\$ 1,661,421	56.73%	91.74%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

NOTES TO THE SCHEDULES OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)

For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions include:

2014

A. No changes in benefit terms or assumptions.

2015

B. No changes in benefit terms or assumptions.

2016

C. Discount rate decreased from 7.25% to 7.00% and inflation rate decreased from 3.00% to 2.50 along with salary assumptions decreasing from 5.75% to 5.25%.

2017

D. No changes in benefit terms or assumptions.

2018

E. Discount rate decreased from 7.00% to 6.75%.

2019

F. Discount rate decreased from 6.75% to 6.50% and inflation rate decreased from 2.50% to 2.40% along with salary assumptions decreasing from 5.25% to 4.75%. Mortality rates based on Pub-2010 Public Retirement Plans Mortality Table.

2020

G. No changes in benefit terms or assumptions.

2021

H. Discount rate decreased from 6.50 to 6.40% and inflation rate decreased from 2.40% to 2.30%.

2022

I. No changes in benefit terms or assumptions.

2023

J. No changes in benefit terms or assumptions.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULES OF PENSION CONTRIBUTIONS

For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

<u>Fiscal Year*</u>	<u>(a) Contractually required contribution</u>	<u>(b) Contributions in relation to the contractually required contribution</u>	<u>(a-b) Contribution deficiency (excess)</u>	<u>Commission's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2014	\$ 221,498	\$ 221,498	\$ -	\$ 1,384,364	16.00%
2015	\$ 189,507	\$ 189,507	\$ -	\$ 1,306,941	14.50%
2016	\$ 180,173	\$ 180,173	\$ -	\$ 1,385,942	13.00%
2017	\$ 183,268	\$ 183,268	\$ -	\$ 1,466,142	12.50%
2018	\$ 166,242	\$ 166,242	\$ -	\$ 1,445,587	11.50%
2019	\$ 185,340	\$ 185,340	\$ -	\$ 1,640,936	11.29%
2020	\$ 191,062	\$ 191,062	\$ -	\$ 1,559,686	12.25%
2021	\$ 179,928	\$ 179,928	\$ -	\$ 1,468,799	12.25%
2022	\$ 191,065	\$ 191,065	\$ -	\$ 1,661,421	11.50%
2023	\$ 199,479	\$ 199,479	\$ -	\$ 1,734,594	11.50%

*Amounts presented were determined as of the fiscal year end.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

NOTES TO THE SCHEDULES OF PENSION CONTRIBUTIONS

For the Years Ended December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions include:

2014

A. No changes in benefit terms or assumptions.

2015

B. No changes in benefit terms or assumptions.

2016

C. Discount rate decreased from 7.25% to 7.00% and inflation rate decreased from 3.00% to 2.50 along with salary assumptions decreasing from 5.75% to 5.25%.

2017

D. No changes in benefit terms or assumptions.

2018

E. Discount rate decreased from 7.00% to 6.75%.

2019

F. Discount rate decreased from 6.75% to 6.50% and inflation rate decreased from 2.50% to 2.40% along with salary assumptions decreasing from 5.25% to 4.75%. Mortality rates based on Pub-2010 Public Retirement Plans Mortality Table.

2020

G. No changes in benefit terms or assumptions.

2021

H. Discount rate decreased from 6.50 to 6.40% and inflation rate decreased from 2.40% to 2.30%.

2022

I. No changes in benefit terms or assumptions.

2023

J. No changes in benefit terms or assumptions.

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OTHER SUPPLEMENTARY INFORMATION

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2023

Agency Head: Kevin Ardoin

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 132,958
Benefits – insurance	9,126
Benefits – retirement	15,290
Reimbursements	234
Travel	85
Registration fees	975
Conference travel	948
Telephone	<u>1,236</u>
	<u>\$ 160,852</u>

Justice System Funding Schedule - Receiving Entity

As Required by Act 87 of the 2020 Regular Legislative Session

Entity Name	Acadiana Criminalistics Laboratory Commission
LLA Entity ID # (This is the ID number assigned to the entity by the Legislative Auditor for identification purposes)	5003
Date that reporting period ended (mm/dd/yyyy)	12/31/2023

Cash Basis Presentation

First Six Month Period Ended 6/30/2023	Second Six Month Period Ended 12/31/2023
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Receipts From:

<i>Abbeville City Court, Criminal Court Costs/Fees</i>	5,009.91	5,741.50
<i>Town of Arnaudville, Criminal Court Costs/Fees</i>	90.00	223.50
<i>Town of Baldwin, Criminal Court Costs/Fees</i>	340.00	450.00
<i>Town of Basile, Criminal Court Costs/Fees</i>	4,550.00	3,630.00
<i>Town of Berwick, Criminal Court Costs/Fees</i>	12,170.00	19,920.00
<i>Breaux Bridge City Court, Criminal Court Costs/Fees</i>	4,606.13	5,485.10
<i>City of Broussard, Criminal Court Costs/Fees</i>	40,576.00	38,654.50
<i>Village of Cankton, Criminal Court Costs/Fees</i>	1,870.00	3,410.00
<i>City of Carencro, Criminal Court Costs/Fees</i>	31,790.00	34,450.00
<i>Village of Chataignier, Criminal Court Costs/Fees</i>	1,590.00	8,940.00
<i>Town of Church Point, Criminal Court Costs/Fees</i>	27,296.00	19,943.50
<i>City Court of Crowley, Criminal Court Costs/Fees</i>	20,169.25	41,630.00
<i>Town of Delcambre, Criminal Court Costs/Fees</i>	4,393.00	4,140.00
<i>Town of Duson, Criminal Court Costs/Fees</i>	14,090.00	23,250.00
<i>Town of Erath, Criminal Court Costs/Fees</i>	720.00	760.00
<i>Village of Estherwood, Criminal Court Costs/Fees</i>	5,680.00	3,830.00
<i>Eunice City Court, Criminal Court Costs/Fees</i>	13,769.79	15,343.78
<i>City Court of Franklin, Criminal Court Costs/Fees</i>	3,280.00	18,620.00
<i>Town of Grand Coteau, Criminal Court Costs/Fees</i>	180.00	130.00
<i>Town Gueydan, Criminal Court Costs/Fees</i>	30.00	50.00
<i>Town of Henderson, Criminal Court Costs/Fees</i>	101,340.00	110,520.00
<i>Town of Iota, Criminal Court Costs/Fees</i>	-	110.00
<i>Jeanerette City Court, Criminal Court Costs/Fees</i>	21,370.00	12,330.00
<i>City of Kaplan, Criminal Court Costs/Fees</i>	8,190.00	8,960.00
<i>City Court of Lafayette, Criminal Court Costs/Fees</i>	139,986.54	133,810.04
<i>Town of Mamou, Criminal Court Costs/Fees</i>	11,604.00	15,674.00
<i>Maurice Mayor's Court, Criminal Court Costs/Fees</i>	13,670.00	13,070.00
<i>Village of Mermentau, Criminal Court Costs/Fees</i>	1,800.00	1,940.00
<i>City Court of Morgan City, Criminal Court Costs/Fees</i>	20,462.50	18,106.00
<i>Village of Morse, Criminal Court Costs/Fees</i>	270.00	490.00
<i>New Iberia City Court, Criminal Court Costs/Fees</i>	18,773.49	21,247.48
<i>City Court of Opelousas, Criminal Court Costs/Fees</i>	30,903.50	30,663.00
<i>Village of Parks, Criminal Court Costs/Fees</i>	-	8,130.00
<i>City of Patterson, Criminal Court Costs/Fees</i>	8,874.00	7,067.00
<i>Village of Pine Prairie, Criminal Court Costs/Fees</i>	26,320.00	36,440.00
<i>Rayne City Court, Criminal Court Costs/Fees</i>	17,698.62	15,350.96
<i>City of Scott, Criminal Court Costs/Fees</i>	33,960.00	49,370.00

Exhibit K

<i>City of St. Marinville, Criminal Court Costs/Fees</i>	8,640.00	4,300.00
<i>Town of Sunset, Criminal Court Costs/Fees</i>	16,340.00	12,690.00
<i>Village of Turkey, Criminal Court Costs/Fees</i>	17,970.00	29,070.00
<i>City of Ville Platte, Criminal Court Costs/Fees</i>	32,884.12	28,979.06
<i>Town of Washington, Criminal Court Costs/Fees</i>	5,430.00	4,480.00
<i>City of Youngsville, Criminal Court Costs/Fees</i>	55,830.00	77,690.00
<i>Acadia Parish Sheriff, Criminal Court Costs/Fees</i>	36,916.87	27,645.54
<i>Evangeline Parish Sheriff, Criminal Court Costs/Fees</i>	141,408.73	133,225.90
<i>Iberia Parish Sheriff, Criminal Court Costs/Fees</i>	42,752.36	35,876.16
<i>Lafayette Parish Sheriff, Criminal Court Costs/Fees</i>	70,283.13	87,490.29
<i>St. Landry Parish Sheriff, Criminal Court Costs/Fees</i>	73,461.87	87,358.11
<i>St. Martin Parish Sheriff, Criminal Court Costs/Fees</i>	85,448.36	77,419.71
<i>St. Mary Parish, Criminal Court Costs/Fees</i>	53,528.26	34,576.79
<i>Vermilion Parish, Criminal Court Costs/Fees</i>	34,673.80	33,311.12
<i>16th Judicial District Attorney - Other</i>	13,100.00	36,747.10
<i>13th Judicial District Attorney - Other</i>	1,950.00	1,730.00
<i>27th Judicial District Attorney - Other</i>	2,520.00	5,125.00
<i>Advent Financial Systems, LLC - Other</i>	-	2,525.00
Subtotal Receipts	1,340,560.23	1,452,120.14

Ending Balace of Amounts Assessed but Not Received (only apples to these agencies that assess on behalf of themselves, such as couts)

INDEPENDENT AUDITORS' 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

To Acadiana Criminalistics
Laboratory Commission
New Iberia, 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 the governmental activities and the major fund of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2023, and the related notes to financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated June 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 Commission'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 the 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission'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 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 Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Broussard Poche, LLP

Lafayette, Louisiana
June 25, 2024

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended December 31, 2023

We have audited the basic financial statements of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2023, and have issued our report thereon dated June 25, 2024. We conducted our audit 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. Our audit of the financial statements as of December 31, 2023 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material weaknesses	_____	Yes	<u> X </u>	No
Control deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u> X </u>	None reported

Compliance

Compliance material to financial statements	_____	Yes	<u> X </u>	No
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Section II - Financial Statement Findings

No matters are reported.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF PRIOR FINDINGS
For the Year Ended December 31, 2023

Section I. Internal Control and Compliance Material to the Financial Statements

None reported.

Section II. Internal Control and Compliance Material to Federal Awards

None reported.

Section III. Management Letter

The prior year's report did not include a management letter.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Acadiana Criminalistics Laboratory Commission 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's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2023 through December 31, 2023. The Commission's management is responsible for those C/C areas identified in the SAUPs.

The Commission 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 LLA's SAUPs for the fiscal year period January 1, 2023 through December 31, 2023. Additionally, 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 associated findings are as follows:

1. **Written Policies and Procedures**

A. Obtain and inspect the entity's written policies and procedures and observe that 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.

We obtained a copy of their budgeting policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy.

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.

We obtained a copy of their purchasing policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy with the exception of how vendors are added to the vendor list, the preparation and approval process of purchase requisitions and purchase orders, and documentation required to be maintained for all bids and price quotes.

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

We obtained a copy of their disbursement policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy.

- 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).

We obtained a copy of their receipts policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy.

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

We obtained a copy of their payroll/personnel policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy.

- 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.

We obtained a copy of their contracting policy effective for the fiscal year ended December 31, 2023. Only the approval process noted above is addressed by the policy.

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

We obtained a copy of their travel and expense reimbursement policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy with the exception of dollar thresholds by category of expense; the policy says to follow those listed in the Louisiana State Travel Guide.

- 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).

The Commission did not have a written policy or procedure addressing these items. The Commission does not have a separate policy for credit cards but they are handled in the same manner as other disbursements.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:111-1121, (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.

The client did not have a written policy or procedure addressing these items.

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

The client did not have a written policy or procedure addressing these items because the Commission does not have any debt.

- 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.

We obtained a copy of their information technology disaster recovery policy effective for the fiscal year ended December 31, 2023. Items noted above are addressed by the policy with the exception of periodic testing/verification that backups can be restored and 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.

We obtained a copy of their sexual harassment policy effective for the fiscal year ended December 31, 2023. Items noted above are not addressed by the policy.

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.**

We obtained copies of the Commission's monthly board minutes for the fiscal year ended December 31, 2023.

- ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds.**

We obtained a copy of the Commission's board minutes for the fiscal year ended December 31, 2023 noting the budget-to-actual comparisons.

- 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.**

This is not applicable to the Commission for the fiscal year ended December 31, 2023.

- 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.

This is not applicable to the Commission for the fiscal year ended December 31, 2023.

3. **Bank Reconciliations**

- A. Obtain a listing of client 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 selected each account, and observe that:

Obtained a listing of client's bank accounts and management's representation that the listing is complete.

- 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);

We verified bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date.

- ii. Bank reconciliations include 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

Bank reconciliations do not include evidence that the Director reviews them via initialing on the bank reconciliations. However, the Director does review the bank reconciliations on his computer after receiving them from the outside accountant.

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

There were two reconciling items that have been outstanding for more than 12 months from the statement closing date. Per Director these checks have been researched and will be voided.

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).

We obtained a list of all 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. There is only 1 deposit site.

- 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job

duties (if no written policies or procedures, 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:

We obtained a listing of collection locations and management's representation that the listing is complete. We obtained and inspected written policies and procedures relating to employee job duties at each collection location, and observed that job duties are properly segregated at each collection location.

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

There is only one employee responsible for collections. All collections are checks, no cash is collected therefore no cash drawer/register is used.

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

The Administrative Assistant is responsible for all collections (no cash) and she prepares/makes the bank deposits. The Director reviews all collections and deposits.

- 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

The Administrative Assistant is responsible for all collections and a third party accountant posts all collection entries to the general ledgers and subsidiary ledgers.

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

A third party accountant reconciles the cash account on a monthly basis and the Administrative Assistant is responsible for collections.

- 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 enforced during the fiscal period.

The Commission does not have cash collections (only checks) therefore none of the employees are covered by a bond or insurance policy for theft.

- 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). Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

Receipts are not issued.

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

No exceptions noted.

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

No exceptions noted.

- 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).

Deposits were not made within one business day of receipt at the collection location. The number of business days between collection of the individual checks and deposit ranged from 5-28 days.

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

No exceptions noted.

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).

We obtained a listing of locations and management's representation that the listing is complete.

- 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, 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/making the purchase;

For nonrecurring disbursements, employees initiate purchase requests by filling out purchase orders that are then approved by the Director. No purchase orders are required for recurring disbursements. The Director reviews and approves invoices.

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

The Director approves all invoices and signs all checks. A third party accountant processes all payments.

- 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;

The Director approves all new vendors. The third party accountant adds approved vendors to the approved vendors listing.

- 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

The Director signs all checks then gives them to the third party accountant to mail out. The third party accountant is also responsible for processing payments but has no signatory authority.

- 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.

The Director, who has signature authority, approves all electronic disbursements (release) of funds.

- 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 that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

The Commission provided supporting documentation that matched invoices tested.

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

The Director approved all invoices and signed all checks. The outside accountant processed all payments.

- 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 disperse 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.

No exceptions noted.

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.

Management provided a list of all active cards, including the card numbers and the names of the persons who maintain possession of the cards. We obtained management's representation that the listing was 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) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder; and

The Director approves all individual purchase orders and reviews invoices/statements before signing the checks. However, the Director does not sign the invoices/statements showing approval. The Director is both the approver and cardholder of one card selected for testing.

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

No finance charges or late fees were assessed on the selected statement.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

For the transactions selected for testing, items noted above were properly handled with the exception of written documentation of the business/public purpose.

7. **Travel and Travel-Related Expense Reimbursement (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

Obtained from management the general ledger and management's representation that it was complete.

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

The approved mileage reimbursement rate is no more than rates established by the State of Louisiana or the U.S. General Services Administration.

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

We observed that each reimbursement was supported by an original itemized receipt that identified 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

We observed that each reimbursement was supported by an expense report with documentation of the business/public purpose.

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

We observed that each reimbursement was reviewed and approved by the Director.

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. 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

Obtained from management a listing of all agreements/contracts that were initiated or renewed during the fiscal period and management's representation that it was complete.

- 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;

Not applicable to the contracts selected.

- 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);

Not applicable to the contracts selected.

- 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 was approval documented); and

Not applicable to the contracts selected.

- 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.

No exceptions noted.

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.

We obtained a listing of employees and officials during the fiscal year and management's representation that this listing is complete. We agreed the selected employee/officials salaries/pay rates to the salary listing maintained by the Director. Pay rates are not kept within employee 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);

Per discussion with the Director, all employees are on salary and do not have to document their daily attendance. Any leave taken during that time is documented via a "Request of Leave" form and approved by the Director.

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

We observed the Director approved all leave of the selected employees or officials. All employees are on salary, and they are not required to document their daily attendance.

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

No exceptions noted.

- iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

We observed for each employee selected that the salary/pay rate agrees to what is on the salary listing maintained by the Director. Pay rates are not kept within employee personnel files.

- 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, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulate leave records, and agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Per discussion with the Director, no employees or officials received termination payments during the fiscal year.

- 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.

Management's representation was obtained.

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.

Obtained documentation for all employees selected that demonstrates that each employee completed on hour of ethics training during the calendar year as required by R.S. 42:1170.

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

Not applicable, not changes made to the Commission's ethics policy during the fiscal year.

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

The Commission has appointed an ethics designee.

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.

Not applicable, the Commission had no bonds/notes or other debt instruments issued during the fiscal period.

- 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).

Not applicable, the Commission had no bonds/notes outstanding at the end of the fiscal period.

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.

Obtained management's representation that there were none during the fiscal period.

- 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.

The Commission does not have a website or post the fraud notice on its premises. However, the notice is posted to the Commission's online system that all employees have access to.

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 no written documentation, then inquire of personnel responsible for backing up critical data) and observe 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.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- 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.

We performed the procedure and discussed the results with management.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cyber security training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and.
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

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.

Documentation obtained for all employees selected to demonstrate that each employee completed at least one hour of sexual harassment training during the calendar year.

- 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).

Per discussion with the Director, the Commission does not have a website or post the sexual harassment notice on its premises. However, the notice is posted to the Commission's online system that all employees have access to.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it 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.

No exceptions noted.

Management's response/corrective actions: *The Commission concurs with the exceptions identified above. The Commission will work to address all exceptions.*

We were engaged by the Commission 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 Commission 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 performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Broussard Poche, LLP

Lafayette, Louisiana
June 25, 2024