

*Financial Report*

*LAT Workforce Development Board, Inc.*

*Houma, Louisiana*

*June 30, 2023*

*Financial Report*

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*Houma, Louisiana*

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June 30, 2023

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
LAT Workforce Development Board, Inc.,  
Houma, Louisiana.

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and General Fund of LAT Workforce Development Board, Inc. (the "LAT"), a component unit of the Lafourche Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the 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 General Fund of the LAT as of June 30, 2023 and the respective changes in net position and budgetary comparison for the General Fund 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 LAT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 LAT'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 LAT's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 through 9, 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 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 inquires 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 an opinion on the financial statements that collectively comprise the LAT's basic financial statements. The accompanying combining schedule of program balance sheets as of June 30, 2023 and the combining schedule of program revenues, expenditures, and changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is required by Louisiana Revised Statute 24:513 (A)(3) 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. This 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 information 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 November 27, 2023 on our consideration of LAT Workforce Development Board, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the LAT'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 LAT's internal control over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 27, 2023.

# **MANAGEMENT’S DISCUSSION AND ANALYSIS**

## **LAT Workforce Development Board, Inc. Houma, Louisiana**

June 30, 2023

The Management’s Discussion and Analysis of the LAT Workforce Development Board, Inc. (the “LAT”) financial performance presents a narrative overview and analysis of the LAT’s financial activities for the year ended June 30, 2023. This document focuses on the current year’s activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the LAT’s financial statements, which begin on page 10.

### **FINANCIAL HIGHLIGHTS**

- The LAT’s revenues primarily consist of reimbursements of grant expenditures/expenses. Therefore, LAT’s financial statements are considered to be substantially expenditure/expense driven and changes in expenditures/expenses are directly offset by similar changes in revenues.
- At the end of any reporting period the LAT’s accounts payable primarily consist of unpaid expenditures/expenses which will be reimbursed to the LAT through grant funds.
- The LAT’s revenue increased \$366,843 or 25.06% primarily due to an increase in funding received during the year, and expenses increased \$399,365 or 27.62% primarily due to an increase in training related/supportive services.
- The LAT’s assets exceeded its liabilities at the close of fiscal year 2023 by \$43,845 net position. This was a decrease in net position of 24.84% since the end of the prior year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the LAT’s financial statements. The LAT’s annual report consists of four parts: (1) management’s discussion and analysis (this section), (2) basic financial statements, (3) the optional section that presents other supplementary information and (4) various governmental compliance reports and schedules by certified public accountants and management. The financial statements include two kinds of statements that present different views of the LAT.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the LAT's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the LAT's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the LAT is improving or deteriorating. The Statement of Activities presents information showing how the LAT's net position changes during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the LAT is to provide funds to subrecipients for job training and related support services.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The governmental fund of the LAT is its General Fund.

**Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (Exhibits B and D).

The LAT maintains an individual governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The LAT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found in Exhibits A through E of this report.

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)****Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the LAT's financial position. For the fiscal year ended June 30, 2023, assets exceeded liabilities by \$43,845. Long-term liabilities outstanding consist entirely of accumulated unpaid vacation and sick leave due after one year.

	<u>June 30,</u>		<u>Dollar</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	<u>\$196,575</u>	<u>\$251,212</u>	<u>\$(54,637)</u>
Accounts payable and accrued expenses	84,541	105,989	(21,448)
Unearned revenue	51,199	71,490	(20,291)
Long-term liabilities outstanding	<u>16,990</u>	<u>15,401</u>	<u>1,589</u>
Total liabilities	<u>152,730</u>	<u>192,880</u>	<u>(40,150)</u>
Net position:			
Unrestricted	<u>\$ 43,845</u>	<u>\$ 58,332</u>	<u>\$(14,487)</u>

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)****Governmental Activities**

Governmental activities decreased the LAT's net position by \$14,487. Key elements of this decrease are as follows:

**Condensed Statements of Activities**

	<u>June 30,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
<b>Revenues:</b>				
Intergovernmental:				
Federal government -				
reimbursements grants	<u>\$ 1,830,891</u>	<u>\$ 1,464,048</u>	<u>\$ 366,843</u>	25.06%
<b>Expenses:</b>				
Current:				
Economic opportunity	<u>1,845,378</u>	<u>1,446,013</u>	<u>399,365</u>	27.62%
Increase (decrease) in net assets	(14,487)	18,035	(32,522)	-180.33%
Net position beginning of year	<u>58,332</u>	<u>40,297</u>	<u>18,035</u>	44.76%
Net position end of year	<u>\$ 43,845</u>	<u>\$ 58,332</u>	<u>\$ (14,487)</u>	-24.84%

The increase in revenue is due to a increase in funding from the State for programs and expenses increased due to more program related expenditures.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the LAT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds**

The focus of the LAT's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the LAT's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the LAT's governmental fund reported a \$39,503 fund balance. Major differences between the prior year and the current year's changes in revenues and expenditures were as stated as follows.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**

### **Governmental Funds (Continued)**

#### Revenues

- Intergovernmental revenues increased by \$366,843 in federal government grants due to an increase in state funding.

#### Expenditures

- Overall expenditures increased by \$399,365 which is primarily related to an increase in program expenditures.

### **General Fund Budgetary Highlights**

During the year, actual revenues and expenditures were less than the budgetary estimates by \$1,152,740 and \$1,146,742, respectively. The LAT's primary budget source is reimbursement grants. Therefore, increases in appropriated grants at federal and state levels are reflected as increases in revenues and expenses/expenditures in the LAT's financial statements. The budget was not amended during 2023. Because the LAT is substantially an expenditure driven organization budget amendments were not required. The LAT signed a contract with the Work Connection which required grant budgets in the amounts of \$2,984,155 and \$3,451,757 for the years ended June 30, 2023 and 2022, respectively. All budgeted amounts which were not expended, or obligated through contracts, lapse at year end.

### **CAPITAL ASSETS**

The LAT's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$18,280 (net of accumulated depreciation). Additional information on the LAT's capital assets can be found in Note 3 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Board of Directors of the LAT considered certain factors and indicators when setting next year's budget, rates, and fees. These factors and indicators were based on anticipated grants to be received, and employment levels within the parishes of Lafourche, Assumption and Terrebonne.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the LAT's finances for all those with an interest in the LAT's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Directors of the LAT Workforce Development Board, Inc., 200 Point St., Houma, Louisiana 70360.

**STATEMENT OF NET POSITION AND  
GOVERNMENTAL FUND BALANCE SHEET**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

	General Fund	Adjustments (Exhibit B)	Statement of Net Position
<b>Assets</b>			
Cash	\$ 97,013	\$ -	\$ 97,013
Due from the State of Louisiana	78,230	-	78,230
Prepaid insurance	-	3,052	3,052
Depreciable capital assets, net of accumulated depreciation	-	18,280	18,280
Total assets	\$ 175,243	21,332	196,575
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 84,541	-	84,541
Unearned revenue	51,199	-	51,199
Long-term liabilities	-	16,990	16,990
Total liabilities	135,740	16,990	152,730
<b>Fund Balance/Net Position</b>			
Fund balance - unassigned	39,503	(39,503)	-
Total liabilities and fund balance	\$ 175,243		
Net position:			
Net investment in capital assets		18,280	18,280
Unrestricted		25,565	25,565
Total net position		\$ 43,845	\$ 43,845

See notes to financial statements.

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

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

<b>Fund Balance - Governmental Fund</b>	<b>\$ 39,503</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Governmental capital assets	\$ 27,420
Less accumulated depreciation	<u>(9,140)</u>
	18,280
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Prepaid insurance	3,052
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Accrued unpaid compensated absences	<u>(16,990)</u>
<b>Net Position of Governmental Activities</b>	<b><u><u>\$ 43,845</u></u></b>

See notes to financial statements.

**STATEMENT OF ACTIVITIES AND**  
**STATEMENT OF GOVERNMENTAL FUND REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

	General Fund	Adjustments (Exhibit D)	Statement of Net Position
<b>Revenues</b>			
Intergovernmental	\$ 1,830,891	\$ -	\$ 1,830,891
<b>Expenditures - Economic Opportunity</b>			
Current:			
Administrative:			
Personal services	211,687	3,005	214,692
Supplies and materials	3,266	-	3,266
Other services and charges	44,956	-	44,956
Repairs and maintenance	13,462	-	13,462
Depreciation	-	5,484	5,484
	273,371	8,489	281,860
Program distributions for training related/supportive services	1,563,518	-	1,563,518
Capital expenditures	-	-	-
Total expenditures	1,836,889	8,489	1,845,378
<b>Net Change in Fund Balance</b>	(5,998)	5,998	-
<b>Change in Net Position</b>	-	(14,487)	(14,487)
<b>Fund Balance/Net Position</b>			
Beginning of year	45,501	12,831	58,332
End of year	\$ 39,503	\$ 4,342	\$ 43,845

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

**Net Change in Fund Balance - Governmental Fund** \$ (5,998)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report 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	\$ -	
Depreciation expense	<u>(5,484)</u>	(5,484)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Decrease in prepaid insurance	(1,416)	
Increase in compensated absences	<u>(1,589)</u>	<u>(3,005)</u>

**Change in Net Position of Governmental Activities** \$(14,487)

See notes to financial statements.

**STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>	<u>\$ 2,983,631</u>	<u>\$ 2,983,631</u>	<u>\$ 1,830,891</u>	<u>\$ (1,152,740)</u>
<b>Expenditures - Economic Opportunity</b>				
Current:				
Administrative:				
Personal services	221,425	221,425	211,687	9,738
Supplies and materials	3,500	3,500	3,266	234
Other services and charges	74,500	74,500	44,956	29,544
Repairs and maintenance	-	-	13,462	(13,462)
	<u>299,425</u>	<u>299,425</u>	<u>273,371</u>	<u>26,054</u>
Program distributions to subrecipients for reimbursement of training related/supportive services	<u>2,684,206</u>	<u>2,684,206</u>	<u>1,563,518</u>	<u>1,120,688</u>
Total expenditures	<u>2,983,631</u>	<u>2,983,631</u>	<u>1,836,889</u>	<u>1,146,742</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,998)</u>	<u>\$ (5,998)</u>
<b>Fund Balance</b>				
Beginning of year			<u>45,501</u>	
End of year			<u>\$ 39,503</u>	

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS****LAT Workforce Development Board, Inc.**  
Houma, Louisiana

June 30, 2023

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the LAT Workforce Development Board, Inc. (the “LAT”) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

In 1998, the United States Congress passed legislation creating the Workforce Investment Act (WIA). In the implementation of WIA, the State of Louisiana chose to create local Workforce Investment Boards to administer federal financial assistance grants in the local area. The Workforce Innovation and Opportunity Act (WIOA) was created in 2014 which supersedes and reauthorizes the WIA.

LAT Workforce Development Board, Inc., formerly the LAT Workforce Investment Board, Inc., is a special purpose quasi-governmental organization which serves as the local Workforce Investment Board for the Parishes of Lafourche, Assumption and Terrebonne. The governing authorities for the three Parishes agreed in the “Workforce Investment Act (WIA) Chief Elected Official Agreement” that the Lafourche Parish Council (the “Parish”) will serve as the local grant recipient. Furthermore, the State of Louisiana Workforce Commission, formerly Department of Labor and the Parish signed a cooperative endeavor agreement in which the LAT has been designated as the Parish’s grant subrecipient and fiscal agent. The LAT was incorporated as a non-profit corporation on April 1, 2000 and is a component unit of the Lafourche Parish Council.

The LAT receives the revenue reported in its General Fund from Federal financial assistance grants provided by WIOA Title I-B, Grant Programs as pass-through grants from the State of Louisiana Workforce Commission.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**a) Reporting Entity (Continued)**

GASB No. 14, *“The Financial Reporting Entity*, GASB No. 39, *Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14”*, and GASB No. 61, *“The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34”* established the criterion for determining which component units should be considered part of the LAT for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the LAT and the potential component unit.
4. Imposition of will by the LAT on the potential component unit.
5. Financial benefit/burden relationship between the LAT and the potential component unit.

Management has reviewed all activities and determined that there are no potential component units which should be included in the financial statements.

**b) Basis of Presentation**

The LAT’s financial statements consist of the government-wide statements on all activities of the LAT and the governmental fund financial statements.

**Government-Wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the LAT. As a general rule, the effect of inter-program activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the LAT as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (Continued)**

Fund Financial Statements:

The fund financial statements place emphasis on the major funds in governmental categories. The daily accounts and operations of the LAT are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The following is the Governmental Fund of the LAT:

**General Fund** - The General Fund is the general operating fund of the LAT. It is used to account for and report all financial resources except those that are required to be accounted for in another fund. The General Fund is always a major fund.

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied.

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 when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds’ present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (Continued)**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the LAT considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) Use of Estimates**

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

**e) Operating Budgetary Data**

The LAT is a quasi-governmental entity which is not legally required to adopt budgets. A budget for each program within the General Fund is submitted to the state grantor department for approval. Funding is primarily from intergovernmental grants received from the Louisiana Workforce Commission. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board of Directors and the State of Louisiana Workforce Commission. All budget amounts which are not expended lapse.

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

**f) Accounts Receivable**

The financial statements for the LAT contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the LAT.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Capital Assets**

The accounting treatment over office furniture and fixtures and a vehicle (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-Wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The estimated useful life by type of asset is as follows:

Office equipment	5 years
------------------	---------

Fund Financial Statements:

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.

**h) Compensated Absences**

Employees earn and accumulate annual and sick leave at various rates, depending on their years of service. Employees can earn twelve, eighteen or twenty-four days per year vacation leave, depending on their length of employment. Accumulated vacation leave benefits are due to the employee at the time of termination or death. The vacation policy provides that employees are to take vacation within one year of being earned, but after January 1 of the following year. Employees may accumulate and carry forward no more than 80 hours of annual leave from one calendar year to the next.

Employees earn five hours of sick leave per month and are permitted to accumulate up to 120 hours of sick leave from one calendar year to the next. Accumulated sick leave benefits are due to the employee at the time of termination or death.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Compensated Absences (Continued)**

In the government-wide financial statements, the net change in accumulated unpaid vacation and sick leave liability is recorded as an expense and the total a long-term obligation. In accordance with GASB Interpretation No. 6, “*Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*”, a compensated absences liability is recorded as of June 30, 2023 in the governmental fund-type financial statements.

**i) Income Taxes**

The LAT is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity’s financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2020, and later remain subject to examination by the taxing authorities. As of June 30, 2023 management of LAT believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

**j) Fund Equity**

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, reduced by the outstanding balance of debt proceeds used in the acquisition of those assets. As of June 30, 2023, LAT did not report any borrowings.
- b. Restricted net position - Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j) Fund Equity (Continued)**

When both restricted and unrestricted resources are available for use, it is the LAT's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the LAT's Board of Directors. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the LAT's Board of Directors.
- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes. Amounts assigned may be established, modified or resented by majority vote of LAT's Board of Directors or its Executive Director.
- e. Unassigned - all other spendable amounts.

For the classification of governmental fund balances, the LAT considers expenditure to be made from the most restrictive first when more than one classification is available. The LAT's fund balance was classified as unassigned as of June 30, 2023.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) New GASB Statements**

During the year ending June 30, 2023, the LAT implemented the following GASB Statements:

Statement No. 94, “*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*” improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement did not affect the financial statements.

Statement No. 96, “*Subscription-based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not affect the financial statements.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) New GASB Statements (Continued)**

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 99, “*Omnibus 2022*” provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, “*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*” provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, “*Compensated Absences*” provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

**Note 2 - CASH**

Custodial credit risk is the risk that in the event of a bank failure, the LAT’s deposits may not be returned to it. LAT has a written policy for custodial risk. Cash is in a non-interest bearing account held in custody at a bank and is covered by FDIC insurance; accordingly, cash is not exposed to custodial credit risk. The LAT is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments.

**Note 3 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
Capital assets being depreciated:				
Office furniture and fixtures	\$27,420	\$ -	\$ -	\$27,420
Less accumulated depreciation for:				
Office furniture and fixtures	<u>(3,656)</u>	<u>(5,484)</u>	<u>-</u>	<u>(9,140)</u>
Total capital assets, net	<u>\$23,764</u>	<u>\$ (5,484)</u>	<u>\$ -</u>	<u>\$18,280</u>

**Note 4 - LONG-TERM LIABILITIES**

Long-term liabilities consist entirely of accumulated unpaid vacation and sick leave due after one year.

The following is a summary of the changes in long-term liabilities of the LAT for the year ended June 30, 2023:

Long-term liabilities, July 1, 2022	\$ 15,401
Net increase in accumulated unpaid vacation and sick leave	<u>1,589</u>
Long-term liabilities, June 30, 2023	<u>\$ 16,990</u>

**Note 5 - ECONOMIC DEPENDENCY**

The LAT receives substantially all of its revenue from funds provided through grants administered by the State of Louisiana Workforce Commission. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state levels, the amount of the funds the LAT receives could be reduced significantly and have an adverse impact on its operations.

**Note 6 - RISK MANAGEMENT**

The LAT is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the LAT carries commercial insurance. No settlements were made during the year that exceeded the LAT's insurance coverage.

**Note 7 - EMPLOYEE RETIREMENT PLAN**

The LAT contributes to a Simplified Employee Pension Plan (the "Plan"), a defined contribution pension plan, for its full time employees. The Plan is administrated by the LAT Board.

Benefit terms, including contribution requirements are established and may be amended by the LAT Board. For each employee, the LAT contributes 5% of annual salary to the employee's individual retirement account, (IRA). The IRAs are the property of the participating employee. The employees are permitted to make contributions up to applicable Internal Revenue Code limits. For the year ended June 30, 2023, employee contributions totaled \$7,372 and the LAT recognized an equal amount as pension expense.

**Note 8 - COMPENSATION OF BOARD OF DIRECTORS**

No compensation was paid to Directors of the LAT Workforce Development Board, Inc. for the year ended June 30, 2023.

**Note 9 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through November 27, 2023, which is the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION SECTION**

## **GENERAL FUND PROGRAMS**

**Adult Program** - To account for and report funds received under the Workforce Innovation and Opportunity Act. Funds are used to increase the employability of economically disadvantaged adults through participation in classroom and on-the-job training and work experience. In addition, employer outreach, job search, and direct placement activities are conducted.

**Youth Program** - To account for and report funds received under the Workforce Innovation and Opportunity Act. Funds are used to increase the employability of economically disadvantaged youth through participation in classroom and on-the-job training, work experience and exemplary youth programs. In addition, employer outreach, job search, and direct placement activities are conducted.

**Dislocated Worker Program** - To account for and report funds received under the Workforce Innovation and Opportunity Act. Funds are used to increase the employability of dislocated workers through classroom training and on-the-job training programs.

**COMBINING SCHEDULE OF PROGRAM BALANCE SHEETS****LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

	Program			Supporting Services Administration	Totals
	Adult Program	Youth Program	Dislocated Worker Program		
<b>Assets</b>					
Cash	\$38,300	\$ -	\$ -	\$58,713	\$ 97,013
Due from the State of Louisiana	55,104	23,126	-	-	78,230
Total assets	<u>\$93,404</u>	<u>\$23,126</u>	<u>\$ -</u>	<u>\$58,713</u>	<u>\$ 175,243</u>
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$84,541	\$ -	\$ -	\$ -	\$ 84,541
Unearned revenue	-	-	51,199	-	51,199
Due to (from) other programs	8,863	23,126	(51,199)	19,210	-
Total liabilities	93,404	23,126	-	19,210	135,740
<b>Fund Balance</b>					
Fund balance - unassigned	-	-	-	39,503	39,503
Total liabilities and fund balance	<u>\$93,404</u>	<u>\$23,126</u>	<u>\$ -</u>	<u>\$58,713</u>	<u>\$ 175,243</u>

**COMBINING SCHEDULE OF PROGRAM STATEMENTS OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

	Program			Supporting Services Administration	Totals
	Adult Program	Youth Program	Dislocated Worker Program		
<b>Revenues</b>					
Intergovernmental:					
Federal:					
Department of Labor	\$ 765,293	\$ 594,109	\$ 470,677	\$ -	\$ 1,830,079
State:					
Miscellaneous	812	-	-	-	812
Total revenues	766,105	594,109	470,677	-	1,830,891
<b>Expenditures - Economic Opportunity</b>					
Current:					
Administrative:					
Personal services	65,205	65,713	80,769	-	211,687
Supplies and materials	1,039	1,039	1,038	150	3,266
Other services and charges	11,358	13,875	13,875	5,848	44,956
Repairs and maintenance	4,488	4,487	4,487	-	13,462
	82,090	85,114	100,169	5,998	273,371
Program distributions for training, training related/supportive services	684,015	508,995	370,508	-	1,563,518
Total expenditures	766,105	594,109	470,677	5,998	1,836,889
<b>Net Change in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(5,998)</b>	<b>(5,998)</b>
<b>Fund Balance</b>					
Beginning of year				45,501	45,501
End of year	\$ -	\$ -	\$ -	\$ 39,503	\$ 39,503

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

**Agency Head Name:** Frank Lewis, Executive Director

<b>Purpose</b>	
Salary	\$ 89,090
Benefits - insurance	26,001
Benefits - retirement	4,454
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<u>\$ 119,545</u>

Note: Frank Lewis is the Executive Director and Functions as the Chief Executive Officer.

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL  
CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors,  
LAT Workforce Development Board, Inc.,  
Houma, 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 LAT Workforce Development Board, Inc., (the “LAT”), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the LAT’s basic financial statements and have issued our report thereon dated November 27, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the LAT’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 LAT’s internal control. Accordingly, we do not express an opinion on the effectiveness of LAT’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that are material weaknesses or, significant deficiencies. Given those 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 were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the LAT'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**

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 27, 2023.

**INDEPENDENT AUDITOR’S REPORT ON  
COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors,  
LAT Workforce Development Board, Inc.,  
Houma, Louisiana.

**Report on Compliance for each Major Federal Program**

***Opinion of Each Major Federal Program***

We have audited LAT Workforce Development Board, Inc.’s, (the “LAT”), a component unit of Lafourche Parish Council, State of Louisiana, compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the LAT’s major federal programs for the year ended June 30, 2023. The LAT’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the LAT complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the LAT and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the LAT's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the LAT's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the LAT's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the LAT's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 LAT's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the LAT's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion in the effectiveness of the LAT's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

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

Our consideration of the internal control over compliance for the limited purpose described in the Auditor's Responsibilities for the Audit Compliance section above was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 27, 2023.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**LAT Workforce Development Board, Inc.**

Houma, Louisiana

For the year ended June 30, 2023

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal Assistance Listing</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
<b>Department of Labor</b>				
<u>Pass-Through Payments:</u>				
<u>Louisiana Workforce Commission:</u>				
<u>WIOA Cluster:</u>				
WIOA Adult Program	17.258	OCR #474-000559	\$ 766,105	\$ 684,015
WIOA Youth Activities	17.259	OCR #474-000559	594,109	508,995
WIOA Dislocated Workers	17.278	OCR #474-000559	<u>470,677</u>	<u>370,508</u>
Total expenditures of federal awards			<u>\$ 1,830,891</u>	<u>\$ 1,563,518</u>

See notes to Schedule of Expenditures of Federal Awards.

# **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

## **LAT Workforce Development Board, Inc. Houma, Louisiana**

For the year ended June 30, 2023

### **Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the LAT under programs of the federal government for the year ended June 30, 2023. The information in this SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the operations of the LAT, it is not intended to and does not present the financial position, changes in net position, or cash flows of the LAT.

### **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3 - INDIRECT COST RATE**

The LAT has not elected to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

### **Note 4 - RECONCILIATION TO FINANCIAL STATEMENTS**

Total federal expenditures for the year ended June 30, 2023 reconciles to the LAT's financial statements for the year ended June 30, 2023 as follows:

Total federal expenditures	\$ 1,830,891
Non federal expenditures	<u>5,998</u>
Total expenditures	<u>\$ 1,836,889</u>

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

**Section I - Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?        \_\_\_ Yes     X  None reported

Noncompliance material to financial statements noted?   \_\_\_ Yes     X  No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified?                    \_\_\_ Yes     X  No
- Significant deficiency(ies) identified that are  
not considered to be a material weakness?        \_\_\_ Yes     X  None reported

Type of auditor's report issued on compliance for major programs: unmodified

- Any audit findings disclosed that are required  
to be reported in accordance with Uniform  
Guidance Requirements?                                \_\_\_ Yes     X  No

**Section I - Summary of Auditor's Results (Continued)**

c) Identification of Major Programs:

<u>Federal Assistance Listing</u>	<u>Name of Federal Program</u>
	WIOA Cluster:
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Workers

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes \_\_\_ No

**Section II - Financial Statement Findings**

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2023.

**Section III - Federal Award Findings and Questioned Costs**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

**REPORTS BY MANAGEMENT**

# **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

## **LAT Workforce Development Board, Inc. Houma, Louisiana**

For the year ended June 30, 2023

### **Section I - Internal Control and Compliance Material to the Basic Financial Statements**

#### **Internal Control**

No material weaknesses were reported during the audit for the year ended June 30, 2022.

No significant deficiencies were reported during the audit for the year ended June 30, 2022.

#### **Compliance**

No compliance findings material to the financial statements were reported during the year ended June 30, 2022.

### **Section II - Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2022.

### **Section III - Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2022.

# **MANAGEMENT'S CORRECTIVE ACTION PLAN**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

## **Section I - Internal Control and Compliance Material to the Basic Financial Statements**

### **Internal Control**

No material weaknesses were reported during the audit for the year ended June 30, 2023.

No significant deficiencies were reported during the audit for the year ended June 30, 2023.

### **Compliance**

No compliance findings material to the financial statements were reported during the year ended June 30, 2023.

## **Section II - Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2023.

## **Section III Management Letter**

A management letter was not issued in connection with the audit of the financial statements for the year ended June 30, 2023.

**STATEWIDE AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT’S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors,  
LAT Workforce Development Board, Inc.,  
Houma, Louisiana.

We have performed the procedures described in Schedule 4 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. LAT Workforce Development Board, Inc. (the “LAT”) management is responsible for those C/C areas identified in the SAUPs.

The LAT has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. 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 responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 4.

We were engaged by the LAT to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the 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 these 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 LAT 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.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
November 27, 2023.

**SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS**  
**OF THE STATEWIDE AGREED-UPON PROCEDURES**

**LAT Workforce Development Board, Inc.**  
Houma, Louisiana

For the year ended June 30, 2023

The required procedures and our findings are as follows:

**1) Procedures Performed on the LAT's Written Policies and Procedures:**

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

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

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

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.

Performance: Obtained and read the written policy for purchasing.

Exceptions: There was an exception noted due to the policy lacking a provision on how vendors are added to the vendor list.

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

Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or LAT fund additions.

Performance: Obtained and read the written policy for receipts.

Exceptions: There were exceptions noted due to the policy lacking provisions for recording, preparing deposits, and management's action to determine completeness of all collections.

**1) Procedures Performed on the LAT's Written Policies and Procedures: (Continued)**

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.  
Performance: Obtained and read the written policy for payroll and personnel.  
Exceptions: There was an exception noted due to the policy lacking a provision on the approval process for employee rate of pay or approval and maintenance of pay rate schedules.
  
- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.  
Performance: Obtained and read the purchasing handbook for contracting.  
Exceptions: There were exceptions noted due to the policy lacking provisions on standard terms and conditions, legal review, and approval process.
  
- vii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.  
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- viii. Credit Cards (and debit cards, fuel cards, P-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).  
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.  
Exceptions: There were no exceptions noted.
  
- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the LAT's ethics policy.  
Performance: Obtained and read the written policy for ethics.  
Exceptions: There were exceptions noted due to the policy lacking provisions for the prohibitions in Louisiana Revised Statute 42:1111-1121, actions to be taken if a violation takes place, a system to monitor possible ethics violations, and a requirement that all employees and officials annually attest that they have read the LAT's ethics policy.

**1) Procedures Performed on the LAT's Written Policies and Procedures: (Continued)**

- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
Performance: The LAT does not issue debt.  
Exceptions: There were no exceptions noted.
  
- 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.  
Performance: Inquired of management regarding the LAT's information technology disaster recovery/business continuity policy.  
Exceptions: The LAT did not have an information technology disaster recovery/business continuity policy.
  
- 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.  
Performance: Obtained and read the written policy for sexual harassment.  
Exceptions: The policy does not include provisions for agency responsibilities and prohibitions, annual employee training, and annual reporting.

**2) Procedures Performed on the LAT's Board:**

- A. Obtain and inspect the board 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 met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.  
Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for 3 out of 4 meetings.  
Exceptions: There was an exception noted due to one meeting held with a lack of a quorum.
  
  - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.  
Performance: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.  
Exceptions: There were no exceptions noted.

**2) Procedures Performed on the LAT's Board: (Continued)**

- 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 unrestricted fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the LAT's Bank Reconciliations:**

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Obtained monthly bank reconciliation for the month of December for the main operating bank account and one additional account. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Examined the LAT's documentation noting evidence of a member of management's review of the December bank reconciliation for the 2 bank accounts selected.

Exceptions: There were no exceptions noted.

**3) Procedures Performed on the LAT's Bank Reconciliations: (Continued)**

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

Performance: Inspected documents for items outstanding for more than 12 months.

We noted no checks outstanding greater than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the LAT's Collections (Excluding Electronic Funds Transfers):**

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. All collections made by the LAT are electronic funds transfers.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 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:

Performance: Obtained the listing of collection locations from management and received management's representation in a separate letter. All collections made by the LAT are electronic funds transfers.

Exceptions: There were no exceptions noted.

- i. Employees that are responsible for cash collections do not share cash drawers/registers.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements. All collections made by the LAT are electronic funds transfers.  
Exceptions: There were no exceptions noted.
- ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless other employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.  
Performance: Inspected policy manuals, inquired of client as to all of the requirements. All collections made by the LAT are electronic funds transfers.  
Exceptions: There were no exceptions noted.

**4) Procedures Performed on the LAT's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

iii. Each employee responsible for collecting cash is not 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.

Performance: Inspected policy manuals, inquired of client as to all of the requirements. All collections made by the LAT are electronic funds transfers.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements. All collections made by the LAT are electronic funds transfers.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

D. Randomly select two deposit dates for each of the LAT's 2 bank accounts selected for procedure #3A. Obtain supporting documentation for each of the deposits selected and:

i. Observe that receipts are sequentially pre-numbered.

Performance: Observed that all collections were electronic funds transfers and that pre-numbered receipts are not applicable.

Exceptions: There were no exceptions noted.

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

Performance: Observed that all collections were electronic funds transfers, tracing the collection documentation to the deposit slip is not applicable.

Exceptions: There were no exceptions noted.

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

Performance: Observed that all collections were electronic funds transfers and were traced to the bank statement.

Exceptions: There were no exceptions noted.

**4) Procedures Performed on the LAT's Collections (Excluding Electronic Funds Transfers):  
(Continued)**

- 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 ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Performance: Observed that all collections were electronic funds transfers.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the electronic funds transfers were recorded in the general ledger.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the LAT's Non-Payroll Disbursements (Excluding Card Purchases/Payments, 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).

Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- 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 LAT has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase.

Observed that at least two employees are involved.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the LAT's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

- ii. At least two employees are involved in processing and approving payments to vendors.  
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.

Exceptions: There were no exceptions noted.

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

Performance: Obtained a listing of employees involved in processing payments to vendors. Inquired with management if any employees involved are adding/modifying vendor files. Also, examined non-payroll disbursement policy which documented that the person responsible for processing payments does not add/modify vendor files.

Exceptions: There were no exceptions noted.

- 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.

Performance: Obtained a listing of employees involved with signing and mailing checks and noted proper segregation of duties.

Exceptions: The accountant processes payments and mails checks.

- 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 means.

Performance: Obtained a listing of employees authorized to sign checks and noted that they are the only ones authorized to approve electronic disbursements.

Exceptions: There were no exceptions noted.

- C. For each location selected under procedure #5A, obtain the LAT'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:

Performance: Obtained the LAT's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.

Exceptions: There were no exceptions noted.

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

Performance: Observed that the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating deliverables were received.

Exceptions: There were no exceptions noted.

**5) Procedures Performed on the LAT's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)**

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

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the LAT's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements ( or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the LAT's policy, and (b) approved by the required number of authorized signers per the LAT's policy.

Performance: Obtained bank statements and observed that all electronic disbursements were payroll related. This step is not applicable.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the LAT's Credit Cards, Debit Cards, Fuel Cards, P-Cards:**

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and management's representation that the listing is complete. Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

- 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, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, 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, by someone other than the authorized card holder.

Performance: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were no exceptions noted.

**6) Procedures Performed on the LAT's Credit Cards, Debit Cards, Fuel Cards, P-Cards:  
(Continued)**

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

Performance: Observed that finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There were no exceptions noted.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, 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, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed that the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were no exceptions noted.

- ii. Written documentation of the business/public purpose.

Performance: Observed that the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were no exceptions noted.

- iii. Documentation of the individuals participating in meals (for meal charges only).

Performance: Observed transactions for any meal charges and documentation of the individuals participating in meals.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the LAT's Travel and Travel-Related Expense Reimbursements  
(Excluding Card Transactions):**

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, 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:

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

**7) Procedures Performed on the LAT's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)**

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

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

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

- 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 policy (procedures #1A(vii)).

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

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

Performance: Observed that there were no travel-related expense reimbursements during the fiscal period.

Exceptions: There were no exceptions noted.

**8) Procedures Performed on the LAT's 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:

Performance: Inquired if there were any contracts initiated during the fiscal period. The LAT did not initiate or renew any contracts.

Exceptions: There were no exceptions noted.

- 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.

Performance: The LAT did not initiate or renew any contracts during the fiscal period.

Exceptions: There were no exceptions noted.

**8) Procedures Performed on the LAT's Contracts: (Continued)**

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

Performance: The LAT did not initiate or renew any contracts during the fiscal period.

Exceptions: There were no exceptions noted.

- 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 (i.e., if approval is required for any amendment, the documented approval).

Performance: The LAT did not initiate or renew any contracts during the fiscal period.

Exceptions: There were no exceptions noted.

- 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.

Performance: The LAT did not initiate or renew any contracts during the fiscal period.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on the LAT's Payroll and Personnel:**

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

Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.

Exceptions: There were no exceptions noted.

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

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

Performance: Inspected all daily attendance and leave record for proper documentation.

Exceptions: There were no exceptions noted.

**9) Procedures Performed on the District's Payroll and Personnel: (Continued)**

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

Performance: Inspected the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

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

Performance: Inspected any leave accrued or taken during the pay period was reflected in the cumulative leave records.

Exceptions: There were 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.

Performance: Inspected and agreed the rate paid to employees to the authorized pay rate in the personnel files.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. No employees were terminated during the fiscal year.

Exceptions: There were no exceptions noted.

- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Performance: Obtained management's representation of the timely filing of payroll forms and timely payments and inspected payroll reporting forms to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

**10) Procedures Performed on the LAT's Ethics:**

- A. Using the 5 selected employees/officials from procedure #9A under "Procedures Performed on the LAT's Payroll and Personnel", obtain ethics compliance documentation from management and:
- i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.  
Performance: Inspected personnel files and ethics course completion certificates for the employees selected.  
Exceptions: There were no exceptions noted.
  - ii. Observe whether the LAT maintains documentation which demonstrates each employee and official were notified of any changes to the LAT's ethics policy during the fiscal period, as applicable.  
Performance: There were no changes to the ethics policy during the year.  
Exceptions: There were no exceptions noted.
- B. Inquire and/or observe whether the LAT has appointed an ethics designee as required by R.S. 42:1170.  
Performance: We inquired and received representation as to whether the LAT appointed an ethics designee.  
Exceptions: There were no exceptions noted.

**11) Procedures Performed on the LAT's 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.  
Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period and obtained management's representation in a separate letter. The LAT did not issue any new debt during the fiscal period.  
Exceptions: There were no exceptions noted.
- 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.  
Performance: There were no bonds/notes outstanding at the end of the fiscal period as represented by management in a separate letter. There was no debt outstanding.  
Exceptions: There were no exceptions noted.

**12) Procedures Performed on the LAT's 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 LAT reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the LAT is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter. None were noted.

Exceptions: There were no exceptions noted.

- B. Observe the LAT 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.

Performance: Observed fraud notice posted on the premises concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. The LAT does not have a website.

Exceptions: There were no exceptions noted.

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

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

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

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

**13) Procedures Performed on the LAT's Information Technology Disaster Recovery/ Business Continuity: (Continued)**

- iii. Obtain a listing of the LAT'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.

Performance: 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 a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

**14) Procedures Performed on the LAT's Prevention of Sexual Harassment:**

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the LAT's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe 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.

Performance: Observed sexual harassment training documentation for the employees selected.

Exceptions: There were no exceptions noted.

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

Performance: Observed the sexual harassment policy and complaint procedure was posted on the entity's premises. LAT does not have a website.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the LAT's annual sexual harassment report.

Exceptions: There were no exceptions noted.

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

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

**14) Procedures Performed on the LAT's Prevention of Sexual Harassment: (Continued)**

- ii. Number of sexual harassment complaints received by the agency.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- iii. Number of complaints which resulted in a finding that sexual harassment occurred.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.
- v. Amount of time it took to resolve each complaint.  
Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.  
Exceptions: There were no exceptions noted.

**Management's Overall Response to Exceptions:**

- 1)A(ii) Management will consider adding the required provision to the existing purchasing policy.
- 1)A(iv) Management will consider adding the required provisions to the existing receipts/collections policy.
- 1)A(v) Management will consider adding the required provision to the existing payroll/personnel policy.
- 1)A(vi) Management will consider adding the required provisions to the existing contracting policy.
- 1)A(ix) Management will consider adding the required provisions to the existing ethics policy.
- 1)A(xi) Management will develop, and the Board will adopt an information technology disaster recovery/business continuity policy.
- 1)A(xii) Management will consider adding the required provisions to the existing sexual harassment policy.
- 2)A(i) Management will ensure that each meeting is held with a quorum.
- 5)B(iv) Management will consider having an employee who does not process payments mail the checks.