

*Financial Report*

*LAT Workforce Development Board, Inc.*

*Houma, Louisiana*

*June 30, 2020*

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June 30, 2020

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**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities and the General Fund 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, 2020, and the related notes to the financial statements, which collectively comprise the LAT's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the LAT Workforce Development Board, Inc. as of June 30, 2020, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other 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, 2020, the combining schedule of program revenues, expenditures, and changes in fund balance and the schedule of compensation, benefits and other payments to agency head or chief executive officer for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The combining schedule of program balance sheets as of June 30, 2020, the combining schedule of program statements revenues, expenditures, and changes in fund balance, the schedule of compensation, benefits, and other payments to agency head or chief executive officer and the schedule of expenditures of federal awards for the year then ended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 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 January 4, 2021 on our consideration of the LAT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering LAT's internal controls over financial reporting and compliance.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
January 4, 2021.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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

June 30, 2020

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, 2020. 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 9.

### **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 decreased \$42,551 or 2.68% primarily due to a decrease in funding received during the year and expenses decreased \$35,318 or 2.21% primarily due to a decrease in training related/supportive services.
- The LAT's liabilities exceeded its assets at the close of fiscal year 2020 by \$8,932 net position (deficit). This was a decrease in net position of 270.46% 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.

## **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 (Deficit) 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.

**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, 2020, liabilities exceeded assets by \$8,932. Long-term liabilities outstanding consist entirely of accumulated unpaid vacation and sick leave due after one year.

	<u>June 30,</u>		Dollar
	<u>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$87,647	\$97,587	\$ (9,940)
Capital assets	-	458	(458)
Total assets	<u>87,647</u>	<u>98,045</u>	<u>(10,398)</u>
Accounts payable and accrued expenses	48,936	26,327	22,609
Unearned revenue	28,701	51,697	(22,996)
Long-term liabilities outstanding	<u>18,942</u>	<u>14,781</u>	<u>4,161</u>
Total liabilities	<u>96,579</u>	<u>92,805</u>	<u>3,774</u>
Net position (deficit):			
Invested in capital assets	-	458	(458)
Unrestricted	<u>(8,932)</u>	<u>4,782</u>	<u>(13,714)</u>
Total net position	<u>\$ (8,932)</u>	<u>\$ 5,240</u>	<u>\$(14,172)</u>

**Governmental Activities**

Governmental activities decrease the LAT's net position by \$14,172. Key elements of this decrease are as follows:

**Condensed Statements of Activities**

	June 30, 2020	2019	Dollar Change	Total Percent Change
<b>Revenues:</b>				
Intergovernmental:				
Federal government - reimbursements grants	<u>\$1,547,815</u>	<u>\$1,590,366</u>	<u>\$(42,551)</u>	-2.68%
<b>Expenses:</b>				
Current:				
Economic opportunity	<u>1,561,987</u>	<u>1,597,305</u>	<u>(35,318)</u>	-2.21%
Decrease in net assets	(14,172)	(6,939)	(7,233)	-104.24%
Net position beginning of year	<u>5,240</u>	<u>12,179</u>	<u>(6,939)</u>	-56.98%
Net position end of year	<u><u>\$ (8,932)</u></u>	<u><u>\$ 5,240</u></u>	<u><u>\$(14,172)</u></u>	-270.46%

The decrease in revenue is due to a decrease in funding from the State for programs and expenses decreased due to less program 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 \$5,881 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 decreased by \$42,551 in federal government grants due to a decrease in state funding.

#### Expenditures

- Overall expenditures decreased by \$37,403 which is primarily related to a decrease in program expenditures.

### **General Fund Budgetary Highlights**

During the year, actual revenues and expenditures were less than the budgetary estimates by \$1,157,250 and \$1,147,697, 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 2020. 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 \$2,502,894 and \$1,988,147 for the years ended June 30, 2020 and 2019, respectively. All budgeted amounts which were not expended, or obligated through contracts, lapse at year end.

### **CAPITAL ASSETS**

The LAT had no investment in capital assets for its governmental activities as of June 30, 2020 since all assets are fully depreciated. The current year's depreciation of \$458 was on an office copier purchased during a previous year. Fully depreciated capital assets remaining in use by the LAT include a vehicle and office furniture and fixtures. 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., 911 Bond St., Houma, Louisiana 70360.

**STATEMENT OF NET POSITION (DEFICIT) AND  
GOVERNMENTAL FUND BALANCE SHEET**

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
<b>Assets</b>			
Cash	\$ 82,547	\$ -	\$ 82,547
Receivables - miscellaneous	971	-	971
Prepaid insurance	-	4,129	4,129
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u><u>\$ 83,518</u></u>	<u>4,129</u>	<u>87,647</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 48,936	-	48,936
Unearned revenue	28,701	-	28,701
Long-term liabilities	-	18,942	18,942
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	77,637	18,942	96,579
<b>Fund Balance/Net Position (Deficit)</b>			
Fund balance - unassigned	<u>5,881</u>	<u>(5,881)</u>	<u>-</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balance	<u><u>\$ 83,518</u></u>		
Net position (deficit):			
Net investment in capital assets		-	-
Unrestricted		(8,932)	(8,932)
		<u>          </u>	<u>          </u>
Total net position (deficit)		<u><u>\$ (8,932)</u></u>	<u><u>\$ (8,932)</u></u>

See notes to financial statements.

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

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

<b>Fund Balance - Governmental Fund</b>		\$ 5,881
Amounts reported for governmental activities in the Statement of Net Position (Deficit) 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	\$ 37,354	
Less accumulated depreciation	<u>(37,354)</u>	-
Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund		
Prepaid insurance		4,129
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.		
Accrued unpaid compensated absences		<u>(18,942)</u>
<b>Net Position (Deficit) of Governmental Activities</b>		<u><u>\$ (8,932)</u></u>

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.**

For the year ended June 30, 2020

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Net Position</u>
<b>Revenues</b>			
Intergovernmental	\$ 1,547,815	\$ -	\$ 1,547,815
<b>Expenditures - Economic Opportunity</b>			
Current:			
Administrative:			
Personal services	197,414	4,161	201,575
Supplies and materials	7,638	-	7,638
Other services and charges	57,520	-	57,520
Repairs and maintenance	9,474	-	9,474
Depreciation	-	458	458
	<u>272,046</u>	<u>4,619</u>	<u>276,665</u>
Program distributions for training related/supportive services	<u>1,285,322</u>	<u>-</u>	<u>1,285,322</u>
Total expenditures	<u>1,557,368</u>	<u>4,619</u>	<u>1,561,987</u>
<b>Net Change in Fund Balance</b>	(9,553)	9,553	-
<b>Change in Net Position (Deficit)</b>	-	(14,172)	(14,172)
<b>Fund Balance/Net Position (Deficit)</b>			
Beginning of year	<u>15,434</u>	<u>(10,194)</u>	<u>5,240</u>
End of year	<u>\$ 5,881</u>	<u>\$ (14,813)</u>	<u>\$ (8,932)</u>

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.**

For the year ended June 30, 2020

<b>Net Change in Fund Balance - Governmental Fund</b>	<b>\$ (9,553)</b>
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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.

Depreciation expense		(458)
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Some expenses are 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.

Increase in compensated absences	<u>(4,161)</u>	<u>(4,161)</u>
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<b>Change in Net Position (Deficit) of Governmental Activities</b>		<b><u><u>\$(14,172)</u></u></b>
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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.**

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>	\$ 2,705,065	\$ 2,705,065	\$ 1,547,815	\$ (1,157,250)
<b>Expenditures - Economic Opportunity</b>				
Current:				
Administrative:				
Personal services	195,357	195,357	197,414	(2,057)
Supplies and materials	74,420	74,420	7,638	66,782
Other services and charges	5,500	5,500	57,520	(52,020)
Repairs and maintenance	14,000	14,000	9,474	4,526
	289,277	289,277	272,046	17,231
Program distributions to subrecipients for reimbursement of training related/supportive services	2,415,788	2,415,788	1,285,322	1,130,466
Total expenditures	2,705,065	2,705,065	1,557,368	1,147,697
<b>Net Change in Fund Balance</b>	\$ -	\$ -	(9,553)	\$ (9,553)
<b>Fund Balance</b>				
Beginning of year			15,434	
End of year			\$ 5,881	

See notes to financial statements.

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

June 30, 2020

**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. The LAT may receive fees under an agreement with the Southwest Louisiana Health Education Center for testing participants in the Healthcare Recovery Training System (Hearts) program, and an agreement with the Social Security Administration Office for the Ticket-to-Work program.

**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 operations 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 vehicles (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 furniture and fixtures	5 years
Vehicle	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.

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

**h) Compensated Absences (Continued)**

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.

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*", no compensated absences liability is recorded as of June 30, 2020 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, 2017, and later remain subject to examination by the taxing authorities. As of June 30, 2020 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, 2020, LAT did not report any borrowings.

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

**j) Fund Equity (Continued)**

- 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."

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. As of June 30, 2020, the LAT did not have or receive restricted assets.

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.

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

**j) Fund Equity (Continued)**

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, 2020.

The Hearts fund had a deficit fund balance at year end of \$40,124. The deficit will be eliminated by future unrestricted service revenue.

**k) New GASB Statements**

During the year ending June 30, 2020, the LAT implemented the following GASB Statements:

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the Coronavirus (COVID-19) pandemic. That objective is accomplished by postponing the effective dates of certain Statements and Implementation Guides to those dates reported below.

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

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (Continued)

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

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

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

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and therefore, the government should report that organization as a component unit. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

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

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

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial 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. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

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

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

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. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. 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, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets being depreciated:				
Office furniture and fixtures	\$23,794	\$ -	\$ -	\$23,794
Vehicle	13,560	-	-	13,560
Total capital assets being depreciated	37,354	-	-	37,354
Less accumulated depreciation for:				
Office furniture and fixtures	(23,336)	(458)	-	(23,794)
Vehicle	(13,560)	-	-	(13,560)
Total accumulated depreciation	(36,896)	(458)	-	(37,354)
Total capital assets, net	\$ 458	\$(458)	\$ -	\$ -

**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, 2020:

Long-term liabilities, July 1, 2019	\$14,781
Net increase in accumulated unpaid vacation and sick leave	4,161
Long-term liabilities, June 30, 2020	\$18,942

**Note 5 - OFFICE RENTAL**

Office space is rented for \$685 per month on a month-to-month basis the rentals are considered operating. Rental expenditures incurred amounted to \$8,220 during the year ended June 30, 2020.

**Note 6 - 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 7 - 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 8 - 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, 2020, employee contributions totaled \$6,914 and the LAT recognized an equal amount as pension expense.

**Note 9 - COMPENSATION OF BOARD OF DIRECTORS**

No compensation was paid to Directors of the LAT Workforce Development Board, Inc. for the year ended June 30, 2020.

**Note 10 - CORONAVIRUS**

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experienced significant volatility. While the LAT has been impacted by the adverse conditions in the financial markets, the long term impact on the LAT's operations is uncertain at this time.

**Note 11 - 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 January 4, 2021, 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.

**STEP** - To account for and report funds received for the Louisiana Workforce Commission. Funds are used to provide case management services to work eligible cash assistance recipients, as referred by the Louisiana Department of Children and Family Services (DCFS), to move those families from cash assistance to employment.

**Ticket-to-Work** - To account for and report funds received from the Social Security Administration for employing disabled individuals.

**Hearts** - To account for and report funds received from the Healthcare Recovery Training System (Hearts) for facilitating enrollment and testing of participants.

**COMBINING SCHEDULE OF PROGRAM BALANCE SHEETS**

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

	<u>Adult Program</u>	<u>Youth Program</u>	<u>Dislocated Worker Program</u>	<u>Step</u>	<u>Ticket - to - Work</u>	<u>Hearts</u>	<u>Totals</u>
<b>Assets</b>							
Cash	\$81,039	\$ -	\$ -	\$ -	\$ -	\$ 1,508	\$ 82,547
Receivables - miscellaneous	971	-	-	-	-	-	971
Total assets	<u>\$ 82,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 83,518</u>
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$48,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,936
Unearned revenue	8,623	3,464	16,614	-	-	-	28,701
Due to (from) other programs	24,451	(3,464)	(16,614)	-	(46,005)	41,632	-
Total liabilities	82,010	-	-	-	(46,005)	41,632	77,637
<b>Fund Balance</b>							
Fund balance - unassigned	-	-	-	-	46,005	(40,124)	5,881
Total liabilities and fund balance	<u>\$ 82,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 83,518</u>

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

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

	<u>Adult Program</u>	<u>Youth Program</u>	<u>Dislocated Worker Program</u>	<u>Step</u>	<u>Ticket - to - Work</u>	<u>Hearts</u>	<u>Totals</u>
<b>Revenues</b>							
Intergovernmental:							
Federal:							
Department of Labor	\$ 724,407	\$ 399,724	\$ 423,684	\$ -	\$ -	\$ -	\$ 1,547,815
<b>Expenditures - Economic Opportunity</b>							
Current:							
Administrative:							
Personal services	55,028	56,025	86,361	-	-	-	197,414
Supplies and materials	1,451	1,451	1,451	-	-	3,285	7,638
Other services and charges	10,977	18,457	21,818	-	-	6,268	57,520
Repairs and maintenance	3,158	3,158	3,158	-	-	-	9,474
	<u>70,614</u>	<u>79,091</u>	<u>112,788</u>	<u>-</u>	<u>-</u>	<u>9,553</u>	<u>272,046</u>
Program distributions for training training related/supportive services	<u>653,793</u>	<u>320,633</u>	<u>310,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,285,322</u>
Total expenditures	<u>724,407</u>	<u>399,724</u>	<u>423,684</u>	<u>-</u>	<u>-</u>	<u>9,553</u>	<u>1,557,368</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(9,553)</u>	<u>(9,553)</u>
<b>Fund Balance</b>							
Beginning of year					46,005	(30,571)	15,434
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$46,005</u>	<u>\$(40,124)</u>	<u>\$ 5,881</u>

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

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

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

**Purpose**

Salary	\$ 84,039
Benefits - insurance	27,016
Benefits - retirement	4,202
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	-
Unvouchered expenses	-
Meals	-
	<hr/>
	<b><u>\$ 115,257</u></b>

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, 2020, and the related notes to the financial statements, which collectively comprise the LAT's basic financial statements and have issued our report thereon dated January 4, 2021.

**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) to determine the 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 of 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, as defined. However, material weaknesses may exist that have not been identified.

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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,  
January 4, 2021.

**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**

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, 2020. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for each of LAT's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the LAT's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the LAT's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, LAT complied, in all material respects, with the 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, 2020.

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

Management of the LAT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered the LAT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal major program and to test and report on internal control over compliance in accordance with Uniform Guidance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LAT's 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 was for the limited purpose described in the first paragraph in this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness. However, material weaknesses may exist that have not been identified.

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.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
January 4, 2021.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**LAT Workforce Development Board, Inc.**

For the year ended June 30, 2020

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</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	\$ 724,407	\$ 653,793
WIOA Youth Activities	17.259	OCR #474-000559	399,724	320,633
WIOA Dislocated Workers	17.278	OCR #474-000559	<u>423,684</u>	<u>310,896</u>
Total expenditures of federal awards			<u>\$1,547,815</u>	<u>\$1,285,322</u>

See notes to Schedule of Expenditures of Federal Awards.

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

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

For the year ended June 30, 2020

### **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, 2020. 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, 2020 reconciles to the LAT's financial statements for the year ended June 30, 2020 as follows:

Total federal expenditures	\$1,547,815
Non federal expenditures	<u>9,553</u>
Total expenditures	<u>\$1,557,368</u>



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

c) Identification of Major Programs:

<u>CFDA Number</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, 2020.

**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, 2020.

**REPORTS BY MANAGEMENT**

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

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

For the year ended June 30, 2020

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

#### **Internal Control**

No material weaknesses were noted during the audit for the year ended June 30, 2019.

No significant deficiencies were reported during the audit for the year ended June 30, 2019.

#### **Compliance**

No compliance findings material to the financial statements were noted during the year ended June 30, 2019.

### **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, 2019.

### **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, 2019.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

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

For the year ended June 30, 2020

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

##### **Internal Control**

No material weaknesses were noted during the audit for the year ended June 30, 2020.

No significant deficiencies were reported during the audit for the year ended June 30, 2020.

##### **Compliance**

No compliance findings material to the financial statements were noted during the year ended June 30, 2020.

#### **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, 2020.

#### **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, 2020.