

Financial Report

Lafourche Parish Juvenile Justice Commission

Thibodaux, Louisiana

June 30, 2019

Financial Report

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2019

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PRINCIPAL OFFICIALS

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

June 30, 2019

Commission Members

Ray Bernard

Cherie Bright

Brooks Wallace

Craig Stanga

Damon Stentz

Suzanne Howell

Dwayne Rebstock

Office

President

Secretary-Treasurer

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission, State of Louisiana (the "Commission"), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission'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 an opinion 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance 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 9 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 response 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 Commission's basic financial statements. The accompanying supplementary information included in Schedule 1 on page 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 accompanying supplementary 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 September 17, 2019 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Commission's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
September 17, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

June 30, 2019

The Management's Discussion and Analysis of the Lafourche Parish Juvenile Justice Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2019 by \$2,864,160 (net position), which represents a 12.83% decrease from last fiscal year.

The Commission's revenue decreased \$163,077 (or 4.10%) primarily due to a decrease in property taxes and state revenue sharing.

The Commission's expenses decreased \$66,326 (or 1.54%) primarily as a result of decreases in expenses related to ad valorem tax revenue.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial statements consist of three parts: (1) management's discussion and analysis (this section) (2) basic financial statements and (3) 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 Commission:

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 Commission's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Commission's assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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 Commission is improving or deteriorating. The Statement of Activities presents information showing how the Commission's net position changed 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 Commission is public safety which is comprised of various programs that include Group Home Units which serve as a long-term treatment program for abused and neglected youths and a Detention Unit which provides secure custody ordered by the courts for troubled youth.

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 Commission maintains one type of fund, governmental.

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.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Governmental Funds (Continued)**

The Commission maintains one 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 Commission 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 on pages 12-16 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 H of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2019, assets exceeded liabilities and deferred inflows of resources by \$2,864,160. A large portion of the Commission's net position (53.20%) reflects its investment in capital assets (buildings, furniture, fixtures, and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	<u>Year Ended June 30,</u>		<u>Dollar</u>
	<u>2019</u>	<u>2018</u>	<u>Change</u>
Current and other assets	\$ 3,188,814	\$ 3,516,395	\$ (327,581)
Capital assets	1,523,742	1,599,782	(76,040)
Total assets	<u>4,712,556</u>	<u>5,116,177</u>	<u>(403,621)</u>
Current liabilities	141,664	135,802	5,862
Long-term liabilities	200,340	193,945	6,395
Deferred inflows of resources	1,506,392	1,500,535	5,857
Total liabilities and deferred inflows of resources	<u>1,848,396</u>	<u>1,830,282</u>	<u>18,114</u>
Net Position:			
Net investment in capital assets	1,523,742	1,599,782	(76,040)
Unrestricted	1,340,418	1,686,113	(345,695)
Total net position	<u>\$ 2,864,160</u>	<u>\$ 3,285,895</u>	<u>\$ (421,735)</u>

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

Governmental activities decreased the Commission's net position by \$421,735. Key elements of this decrease are as follows:

Condensed Changes in Net Position

	<u>Year Ended June 30,</u>		<u>Dollar Change</u>	<u>Total Percent Change</u>
	<u>2019</u>	<u>2018</u>		
Revenues:				
Ad valorem taxes	\$ 3,078,831	\$ 3,237,598	\$(158,767)	-4.90%
Intergovernmental	25,481	25,347	134	0.53%
Charges for services	639,399	677,979	(38,580)	-5.69%
Miscellaneous	69,351	35,215	34,136	96.94%
Total revenues	<u>3,813,062</u>	<u>3,976,139</u>	<u>(163,077)</u>	-4.10%
Expenses:				
General government	150,344	284,446	(134,102)	-47.14%
Public safety	<u>4,084,453</u>	<u>4,016,677</u>	<u>67,776</u>	1.69%
Total expenses	<u>4,234,797</u>	<u>4,301,123</u>	<u>(66,326)</u>	-1.54%
Change in net position	(421,735)	(324,984)	(96,751)	29.77%
Net position beginning of year	<u>3,285,895</u>	<u>3,610,879</u>	<u>(324,984)</u>	-9.00%
Net position end of year	<u>\$ 2,864,160</u>	<u>\$ 3,285,895</u>	<u>\$(421,735)</u>	-12.83%

The decrease in total revenues is due to the decrease in ad valorem tax revenue of \$158,767. The decrease in total expenses is a result of the decrease in expense related to ad valorem taxes and capital expenditures.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, 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 Commission's governmental fund reported ending fund balance of \$1,540,758, a decrease of \$339,300 in comparison to the prior year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**General Fund Budgetary Highlights**

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Increased State of Louisiana revenues to reflect actual receipts.
- Increased interest revenues to reflect actual interest earned.

Expenditures

- Decreased personal services to reflect actual personal services expense.
- Increase supplies and materials to reflect actual expense.

During the year, actual revenues exceeded the budgetary estimates, while actual expenditures were less than budgeted amounts.

CAPITAL ASSETS**Capital Assets**

The Commission's investment in capital assets for its governmental activities, net of accumulated depreciation, as of June 30, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
Buildings	\$ 1,272,201	\$ 1,360,189
Furniture, fixtures, and equipment	<u>251,541</u>	<u>239,593</u>
Totals	<u>\$ 1,523,742</u>	<u>\$ 1,599,782</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of 2019 Dodge truck
- Purchase of DVR camera system for multipurpose building and Boy's Group Home
- Purchase of new furniture for Girls' Group Home

Additional information on the Commission's capital assets can be found in Note 5, Exhibit H of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Board of Commissioners considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- Consideration of funding to be received from contracts and grants.
- The ad valorem tax revenue budgeted, materially consistent in accordance with the Commission's accounting policy, represents the estimated amount for the November 2019 assessment, which the Commission will receive, for the most part, in January 2020.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of operating supplies needed to perform necessary services.
- Services the Commission will provide along with estimated service cost.
- Detailed plan of equipment needed to be purchased.

The Commission receives most of its funding from local taxes and departments of the State of Louisiana. Some of the Commission's grants and contracts are contingent upon the level of service provided by the Commission; therefore, revenues from grants may vary from year to year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Commissioners of the Lafourche Parish Juvenile Justice Commission, PO Box 586, Thibodaux, LA 70302-0586.

STATEMENT OF NET POSITION**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

June 30, 2019

Assets	
Cash	\$ 3,038,091
Receivables:	
Taxes	97,424
Due from other governmental units	53,299
Capital assets:	
Depreciable, net of accumulated depreciation	<u>1,523,742</u>
Total assets	<u>4,712,556</u>
 Liabilities	
Accounts payable and accrued expenditures	141,664
Long-term liabilities - due after one year	<u>200,340</u>
Total liabilities	342,004
Deferred Inflows of Resources	<u>1,506,392</u>
Total liabilities and deferred inflows of resources	<u>1,848,396</u>
 Net position	
Net investment in capital assets	1,523,742
Unrestricted	<u>1,340,418</u>
Total net position	<u><u>\$ 2,864,160</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Lafourche Parish Juvenile Justice Commission**

Thibodaux, Louisiana

For the year ended June 30, 2019

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
Governmental activities:			
Detention	\$ 637,893	\$ 29,331	\$ (608,562)
Residential Homes	1,216,863	605,933	(610,930)
Ropes	83,543	4,135	(79,408)
Administrative	<u>2,296,498</u>	<u>-</u>	<u>(2,296,498)</u>
Total governmental activities	<u>\$ 4,234,797</u>	<u>\$ 639,399</u>	<u>(3,595,398)</u>
General revenues:			
Property taxes and state revenue sharing			3,104,312
Miscellaneous			<u>69,351</u>
Total general revenues			<u>3,173,663</u>
Change in net position			(421,735)
Net position:			
Beginning			<u>3,285,895</u>
Ending			<u>\$ 2,864,160</u>

See notes to financial statements.

GOVERNMENTAL FUND BALANCE SHEET**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

June 30, 2019

Assets	
Cash	\$ 3,038,091
Receivables:	
Taxes	97,424
Due from other governmental units	<u>53,299</u>
Total assets	<u><u>\$ 3,188,814</u></u>
Liabilities	
Accounts payable and accrued expenditures	\$ 141,664
Deferred Inflows of Resources	<u>1,506,392</u>
Total liabilities and deferred inflows of resources	<u>1,648,056</u>
Fund Balance	
Assigned for subsequent year's expenditures	1,241,350
Unassigned	<u>299,408</u>
Total fund balance	<u>1,540,758</u>
Total liabilities and fund balance	<u><u>\$ 3,188,814</u></u>

See notes to financial statements.

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

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

June 30, 2019

Fund Balance - Governmental Fund		\$ 1,540,758
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	\$4,356,829	
Less accumulated depreciation	<u>(2,833,087)</u>	1,523,742
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.		
Compensated absences payable		<u>(200,340)</u>
Net Position of Governmental Activities		<u><u>\$ 2,864,160</u></u>

See notes to financial statements.

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

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

For the year ended June 30, 2019

	<u>General Fund</u>
Revenues	
Taxes	\$ 3,078,831
Intergovernmental:	
State of Louisiana	660,745
Charges for services	4,135
Miscellaneous:	
Interest	20,160
Other	49,890
Total revenues	<u>3,813,761</u>
Expenditures/Expenses	
Current:	
General government:	
Ad valorem tax adjustment	54,624
Ad valorem tax deduction	95,720
Total general government	<u>150,344</u>
Public safety - special correctional facilities:	
Personal services	3,257,691
Operating services	398,972
Supplies and materials	254,869
Travel and other charges	14,206
Total public safety	<u>3,925,738</u>
Capital outlay	<u>76,979</u>
Total expenditures	<u>4,153,061</u>
Deficiency of Revenues Over Expenditures	(339,300)
Fund Balance	
Beginning of year	<u>1,880,058</u>
End of year	<u>\$ 1,540,758</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**

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

For the year ended June 30, 2019

Net Change in Fund Balance - Governmental Fund **\$ (339,300)**

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	\$ 76,979	
Depreciation expense	(152,320)	
Loss on disposal of asset	<u>(699)</u>	(76,040)

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.

Increase in compensated absences payable	<u>(6,395)</u>	
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Change in Net Position of Governmental Activities **\$ (421,735)**

See notes to financial statements.

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

Lafourche Parish Juvenile Justice Commission

Thibodaux, Louisiana

For the year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,800,000	\$ 2,900,000	\$ 3,078,831	\$ 178,831
Intergovernmental:				
State of Louisiana	676,000	676,000	660,745	(15,255)
Charges for services	5,000	4,000	4,135	135
Miscellaneous:				
Interest	9,000	19,000	20,160	1,160
Other	65,000	45,000	49,890	4,890
Total revenues	<u>3,555,000</u>	<u>3,644,000</u>	<u>3,813,761</u>	<u>169,761</u>
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	200,000	200,000	54,624	145,376
Ad valorem tax deduction	-	-	95,720	(95,720)
Total general government	<u>200,000</u>	<u>200,000</u>	<u>150,344</u>	<u>49,656</u>
Public safety - special correctional facilities:				
Personal services	3,497,000	3,330,000	3,257,691	72,309
Operating services	590,000	595,300	398,972	196,328
Supplies and materials	267,800	284,800	254,869	29,931
Travel and other charges	18,000	22,250	14,206	8,044
Total public safety	<u>4,372,800</u>	<u>4,232,350</u>	<u>3,925,738</u>	<u>306,612</u>
Capital outlay	<u>85,000</u>	<u>85,000</u>	<u>76,979</u>	<u>8,021</u>
Total expenditures	<u>4,657,800</u>	<u>4,517,350</u>	<u>4,153,061</u>	<u>364,289</u>
Deficiency of Revenues Over Expenditures	(1,102,800)	(873,350)	(339,300)	534,050
Fund Balance				
Beginning of year	<u>1,396,526</u>	<u>1,880,058</u>	<u>1,880,058</u>	<u>-</u>
End of year	<u>\$ 293,726</u>	<u>\$ 1,006,708</u>	<u>\$ 1,540,758</u>	<u>\$ 534,050</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

June 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Lafourche Parish Juvenile Justice Commission (the "Commission") was created in 1978 under the provisions of Article VI, Sections 5 and 15 of the Constitution of the State of Louisiana of 1974, and Article III of the Home Rule Charter of the Parish of Lafourche to acquire and administer a juvenile justice facility or facilities.

The powers of the Commission, control and management of the affairs of the Commission, are vested in a board of commissioners composed of six qualified electors residing in Lafourche Parish. The commissioners are appointed from the North, South and Central regions of the Parish by the Lafourche Parish Council from names submitted by the Seventeenth Judicial District Judges, the Lafourche Parish School Board and by members of the Lafourche Parish Council.

The accounting policies of the Commission conform to accounting principles generally accepted in the United States of America 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

The Commission is a component unit of the Lafourche Parish Council.

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 Commission 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Commission and the potential component unit.
4. Imposition of will by the Commission on the potential component unit.
5. Financial benefit/burden relationship between the Commission and the potential component unit.

The Commission has reviewed all of its activities and determined there are no potential component units which should be included in its financial statements.

b) Basis of Presentation

The Commission's financial statements consist of the government-wide statements on all activities of the Commission 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 Commission. The government-wide presentation focuses primarily on the sustainability of the Commission 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.

Fund Financial Statements:

The daily accounts and operations of the Commission are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflow of resources, 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 Commission:

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (Continued)

General Fund - The General Fund is the general operating fund of the Commission. It is used to account for all financial resources except those that are required to be accounted for in another 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. Property taxes are recognized in the year for which they are levied.

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.

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 Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2018 property taxes which are being levied to finance expenditures for

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

the 2019 calendar year will be recognized as revenue in the fiscal years ending June 30, 2019 and 2020. Accordingly, one half of the 2018 tax levy is recorded as deferred inflows of resources as of June 30, 2019. Intergovernmental revenues consist of per diem funding received on a per client/unit basis. These funds, along with charges for services, are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission or an intermediary collecting agency because they are generally not measurable or available until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. 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

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission. The Commission amended its budget once during the year ending June 30, 2019. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

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

The General Fund budget is included in the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Accounts Receivable

The financial statements of the Commission contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds.

g) Capital Assets

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

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 \$500 or more and a useful life greater than one year are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. 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 range of estimated useful lives by type of asset is as follows:

Buildings	15 - 40 years
Furniture, fixtures, and equipment	5 - 15 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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Long-Term Obligations

The accounting treatment of long-term obligations depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accrued compensated absences-vacation and compensatory time.

Fund Financial Statements:

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements.

i) Vacation and Sick Leave

The Commission's policies regarding vacation permit employees to accumulate earned but unused vacation. The liability for these compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability

Eligible personnel will earn credits for annual vacation and sick leave for each month of employment. The amount of credits earned is based upon length of service. At the end of each calendar year accumulated vacation and sick leave is carried forward to the new year. At no time can an employee's accumulated vacation balance exceed 15 days more than the rate of accrual. All accumulated vacation vests to the employees; however, all accumulated sick leave lapses at separation of employment.

Compensatory time will be given to those employees not subject to overtime pay. Rate of accrual will be hour for hour with the limitation of ten work days per calendar year. Compensatory time accrued should be taken within the calendar year in which it is accrued. The Commission will pay up to 5 days of the unused compensatory time at the close of the year.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Deferred Inflows of Resources

The Commission reports deferred inflows of resources when resources associated with imposed non exchange revenue transactions are received or reported as a receivable before (a) the period for which property taxes are levied or (b) the period when resources are required to be used or when use is first permitted for all other imposed non exchange revenues in which the enabling legislation includes time requirements.

k) Fund Equity

Government-wide Financial 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 and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets, if any. As of June 30, 2019 the Commission had no outstanding borrowings that are attributable to capital assets.
- b. Restricted net position - Consists of assets 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 position 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 Commission's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2019, the Commission did not have restricted resources.

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.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (Continued)

- 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 Commission's Board. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Commissioners.
- 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. Assignments may be established, modified, or rescinded only through a majority vote of the Board of Commissioners.
- e. Unassigned - all other spendable amounts. This classification is the residual fund balance for the General Fund. It represents fund balance that has not been restricted, committed or assigned to specific purposes within the General Fund.

For the classification of governmental fund balances, the Commission considers expenditures to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as assigned and unassigned as of June 30, 2019. Assigned fund balance as of June 30, 2019 is for 2019-2020 budgetary expenditures in excess of budgetary revenues.

l) New GASB Statements

During the year ending June 30, 2019, the Commission implemented the following GASB Statements:

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) New GASB Statements (Continued)

beginning after June 15, 2018. This statement did not affect the Commission's financial statements.

Statement No. 88, "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The statement clarifies which liabilities governments should include when disclosing information related to debt. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 30, 2018. This statement did not affect the Commission's financial statements.

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, 2018. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) 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, 2019. 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 through 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, 2019. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 90, *"Majority Equity Interest"* the primary objectives of this statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It 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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) New GASB Statements (Continued)

government should report that organization as component unit. The requirements of this statement are effective for reporting period beginning after December 15, 2018. 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, 2020. Management has not yet determined the effect of this statement on the financial statements.

Note 2 - DEPOSITS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investment, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

Note 2 - DEPOSITS (Continued)

The year-end balances of deposits as of June 30, 2019 consisted of the following:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 3,048,923</u>	<u>\$ 3,038,091</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2019, \$2,274,711 of the Commission's bank balances of \$3,048,923 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, and are deemed to be held in the Commission's name as allowed by State Statutes.

As of June 30, 2019, cash in excess of the FDIC insurance was adequately collateralized by securities held by unaffiliated banks for the account of the Commission. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish of Lafourche. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list on January 1, 2016. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for 2018 was \$3.20 per \$1,000 of assessed valuation on property within Lafourche Parish for the purpose of maintaining and operating the facilities. As indicated in Note 1c, taxes levied November 1, 2018 are used to fund expenditures in calendar year 2019, therefore one half of the 2018 tax levy was recognized as revenues in the fiscal year ended June 30, 2019 with the balance being recognized in the year ending June 30, 2020. The balance of the taxes levied which was not recognized is reported as deferred inflows of resources as of June 30, 2019.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2019 consisted of the following:

State of Louisiana	
Department of Social Services	<u>\$ 53,299</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions/ Adjustments	Balance June 30, 2019
Capital assets being depreciated:				
Buildings	\$ 3,631,427	\$ 17,810	\$ -	\$ 3,649,237
Furniture, fixtures, and equipment	739,800	59,169	91,377	707,592
Total capital assets being depreciated	4,371,227	76,979	91,377	4,356,829
Less accumulated depreciation for:				
Buildings	(2,271,238)	(105,798)	-	(2,377,036)
Furniture, fixtures, and equipment	(500,207)	(46,522)	(90,678)	(456,051)
Total accumulated depreciation	(2,771,445)	(152,320)	(90,678)	(2,833,087)
Total capital assets, net	\$ 1,599,782	\$(75,341)	\$ 699	\$ 1,523,742

The Juvenile Justice facility is on a 10.0-acre tract of land that is owned by the Lafourche Parish Council. The land is being used under an intergovernmental agreement between the Council and the Commission at no cost to the Commission.

Depreciation expense for the year ended June 30, 2019 was allocated to each program as follows:

Detention	\$ 26,953
Residential Homes	25,555
Ropes	1,103
Administration	98,709
Total	\$ 152,320

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2019 consisted of the following:

Salaries and benefits	\$ 45,898
Protest taxes	67,575
Vendors and others	<u>28,191</u>
Total	<u>\$141,664</u>

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in the long-term obligations of the Commission for the year ended June 30, 2019:

	Payable July 1, 2018	Increase/ Earned	Decrease/ Used	Payable June 30, 2019
Vacation leave	\$ 178,699	\$ 95,037	\$ 99,587	\$ 174,149
Compensatory time	<u>15,246</u>	<u>31,942</u>	<u>20,997</u>	<u>26,191</u>
Totals	<u>\$ 193,945</u>	<u>\$ 126,979</u>	<u>\$ 120,584</u>	<u>\$ 200,340</u>

Note 8 - LEASE COMMITMENTS

The Commission has an operating lease with Great America Leasing Corporation for a copier. The lease term began on March 13, 2014 with payments of \$199 per month, and terminated on March 13, 2019. At the end of the term of this agreement, it was renewed on a month-to-month basis for the same agreed amount. The total rental expense for the year ended June 30, 2019 was \$2,414.

Note 9 - RISK MANAGEMENT

The Commission 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 Commission carries commercial insurance. No settlements were made during the year that exceeded the Commission's insurance coverage.

Note 10 - EMPLOYEE RETIREMENT PLAN

Employees are offered participation in the Louisiana Deferred Compensation Plan provided by the Commission to provide retirement benefits to the employee pursuant to Section 457 of the Internal Revenue Code. Participating employees may contribute an amount of their compensation not to exceed statutory limits. After six months of employment, the Commission will match dollar for dollar with holdings for full-time employee contributions as follows: not to exceed 6% of compensation for 1-10 years of continuous employment, not to exceed 8% of compensation for 11-15 years of continuous employment, not to exceed 10% of compensation for 16 or more years of continuous employment. During the year ended June 30, 2019, the Commission made contributions to the Louisiana Deferred Compensation Plan totaling \$96,180.

Note 11 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2019.

Note 12 - STATE OF LOUISIANA TAX ABATEMENTS

The Commission's ad valorem tax revenues for the year ended June 30, 2019 were reduced by \$197,521 under agreements entered into with the State of Louisiana.

Note 13 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 17, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

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

**Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana**

For the year ended June 30, 2019

Agency Head Name:	James Licalzi July 2108 - October 2018	Kimberly Rister November 2018 - January 2019	Jarvis Shanklin February 2019 - June 2019
Purpose			
Salary	\$ 45,798	\$ 27,069	\$ 38,925
Benefits - insurance	7,466	2,979	5,445
Benefits - retirement	4,580	-	2,234
Benefits - other	-	-	-
Car allowance	3,400	-	4,744
Vehicle provided by government	-	-	-
Per diem	-	-	-
Reimbursements	-	-	-
Travel	-	132	-
Registration fees	-	100	714
Conference travel	-	38	611
Continuing professional education fees	-	-	-
Housing	-	-	-
Unvouchered expenses	-	-	-
Membership dues	-	725	277
Software subscriptions	104	-	-
Special meals	-	55	259
	<u>\$ 61,348</u>	<u>\$ 31,098</u>	<u>\$ 53,209</u>

Note: The Administrator functions as the Chief Executive Officer of the District.

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 Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission (the "Commission") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise of the Commission's basic financial statements, and have issued our report thereon dated September 17, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) 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 the Commission's internal control. Accordingly we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 suitable for any other purpose.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Thibodaux, Louisiana,
September 17, 2019.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2019

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, 2018.

No significant deficiencies were reported during the audit for the year ended June 30, 2018.

Compliance

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2018.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not expend federal awards in excess of \$750,000 during the year ended June 30, 2018 and therefore is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2019

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 audit for the year ended June 30, 2019.

Section II - Internal Control and Compliance Material to Federal Awards

Lafourche Parish Juvenile Justice Commission did not expend federal awards in excess of \$750,000 during the year ended June 30, 2019 and therefore is exempt from the audit requirements under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have performed the procedures described in Schedule 2, which were agreed to by the Lafourche Parish Juvenile Justice Commission (the "Commission") and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2019. The Commission's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 2.

We were not engaged to, and did not conduct an examination or review, 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.

The purpose of this report is 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 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Thibodaux, Louisiana,
September 17, 2019.

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

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

For the year ended June 30, 2019

The required procedures and our findings are as follows:

Procedures performed on the Commission's written policies and procedures:

1. Obtain the Commission's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Commission does not have any written policies and procedures), as applicable.

a) 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.

b) 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, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

c) 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.

Procedures performed on the Commission's written policies and procedures: (Continued)

- d) 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 agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

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

Exceptions: There were no exceptions noted.

- e) Payroll/Personnel, including (1) payroll processing; and (2) reviewing and approving time and attendance records, including leave and overtime worked.

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

Exceptions: There were no exceptions noted.

- f) 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 written policy for contracting, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

- g) 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 functions listed above.

Exceptions: There were no exceptions noted.

- h) 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 functions listed above.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's written policies and procedures: (Continued)

- i) 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 Commission's ethics policy.

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical date 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 critical event.

Performance: Inquired of management about the existence of a policy for disaster recovery/business continuity.

Exceptions: The Commission does not have a disaster recovery/business continuity policy.

Procedures performed on the Commission's board:

2. Obtain and review 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:

- a) 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 Commission's board meets every other month for a total of six meetings per year.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's board: (Continued)

- b) Observe that 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: Obtained and read the written minutes of the board meetings. The meeting minutes referenced the approval of monthly financial statements as well as the presentation of budget-to-actual comparisons.

Exceptions: There were no exceptions noted.

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund. The Commission did not report a negative ending unrestricted fund balance.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's bank reconciliations:

3. Obtain a listing of the Commission's bank accounts from management and management's representation that the listing is complete. Management will identify the main operating account. Select the Commission's main operating account and select four additional accounts (or all accounts if less than five). 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. Selected month of June from the fiscal period, and obtained the corresponding bank statement and reconciliation for the Commission's main operating account and four additional accounts.

Exceptions: There were no exceptions noted.

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

Performance: Observed that bank reconciliations were prepared within two months of the related statement closing date.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's bank reconciliations: (Continued)

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

Performance: Observed that a member of management reviewed each bank reconciliation.
Exceptions: There were no exceptions noted.

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

Performance: Inspected documents for items outstanding for more than 12 months from the statement closing date. There were no reconciling items for more than 12 months from the statement closing date for any of the five bank reconciliations tested.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's collections:

4. 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. Select five deposit sites (or all deposit sites if less than five).

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site (i.e., collection locations for five 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: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

Procedures performed on the Commission's collections: (Continued)

- b) 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: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

- c) 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: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

- d) 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: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

7. Select two deposit dates for each of the five bank accounts selected for procedure #3 under "Procedures performed on the Commission's bank reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the ten deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

Procedures performed on the Commission's collections: (Continued)

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

- d) 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).

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing not required in the current year.

Procedures performed on the Commission's non-payroll disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases):

8. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Select five locations (or all locations if less than five).

Performance: Obtained the listing of locations that process payments, and received management's representation in a separate letter. The Commission only has one location that processes payments.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 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 Commission 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 those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's non-payroll disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

- b) At least two employees are involved in processing and approving payments to vendors.

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. While the Accountant processes payments and has access to add vendors to the disbursement system, vendors are not added unless approved by the Administrator.

Exceptions: There were no exceptions noted.

- d) 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: Inspected policy manuals and inquired of management duties of mailing signed checks.

Exceptions: After checks are signed by the authorized signers, the checks are given back to the Accountant to mail. The Accountant is the individual responsible for processing payments.

10. For each location selected under #8 above, obtain the Commission's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Select five disbursements for each location, obtain supporting documentation for each transaction and:

Performance: Obtained the Commission's general ledger for the fiscal period, and verified management's representation that the population of disbursement checks are complete in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Observed that the checks and the related original invoices/billing statements were in agreement.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's non-payroll disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: There were no exceptions noted.

Procedures performed on the Commission's credit cards, debit cards, fuel cards, P-cards:

- 11. 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: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

- 12. Using the listing prepared by management, select five 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:

- a) Observe that 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: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

**Procedures performed on the Commission's credit cards, debit cards, fuel cards, P-cards:
(Continued)**

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, select ten transactions (or all transactions if less than ten) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have ten transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

1) An original itemized receipt that identifies precisely what was purchased.

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

2) Written documentation of the business/public purpose.

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing not required in the current year.

Procedures performed on the Commission's travel and travel-related expense reimbursements:

14. Obtain from management a listing of all travel and related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

a) 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).

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

**Procedures performed on the Commission's travel and travel-related expense reimbursements:
(Continued)**

- c) 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 #1h).

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing not required in the current year.

Procedures performed on the Commission's contracts:

- 15. Obtain 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. Select five contracts (or all contracts if less than five) from the listing, and:

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

Procedures performed on the Commission's contracts: (Continued)

- d) Select one payment from the fiscal period for each of the five 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: Prior year testing resulted in no exceptions related to contracts. Therefore, testing not required in the current year.

Procedures performed on the Commission's payroll and personnel:

16. Obtain a listing of employees (and elected officials, if applicable) during the fiscal period and management's representation that the listing is complete. Select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

17. Select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

Procedures performed on the Commission's payroll and personnel: (Continued)

18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

19. 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: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing not required in the current year.

Procedure performed on the Commission's ethics:

20. Using the five selected employees/officials from procedure #16 under "Procedures performed on the Commission's payroll and personnel" above, obtain ethics compliance documentation from management and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing not required in the current year.

- b) Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the Commission's ethics policy during the fiscal period.

Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing not required in the current year.

Procedures performed on the Commission's debt service:

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtain for each bond/note issued.

Performance: Prior year testing resulted in no exceptions related to debt service. Therefore, testing not required in the current year.

Procedures performed on the Commission's debt service: (Continued)

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. 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: Prior year testing resulted in no exceptions related to debt service. Therefore, testing not required in the current year.

Other procedures performed on the Commission:

23. Obtain a listing of misappropriations of public funds or 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 Commission reported the misappropriation(s) to the legislative auditor and the Commission attorney of the parish in which the Commission is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets.

Exceptions: There were no exceptions noted.

24. Observe and report whether the Commission has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted on the premises.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1. As a response to exception reported at 1k), management is working on drafting a Disaster Recovery/Business Continuity policy to be approved by the Commission before the end of fiscal year 2020.
2. As a response to exception reported at 9d), management will reassign the duty of mailing checks to the Office Manager who is not responsible for processing payments and does not have access to accounting software.