ACADIANA CRIMINALISTICS LABORATORY COMMISSION

FINANCIAL REPORT

DECEMBER 31, 2018

CONTENTS

BROUSSARD
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INDEPENDENT AUDITORS' REPORT

To Acadiana Criminalistics
Laboratory Commission
New Iberia, Louisiana

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major fund of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2018, 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 opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of Acadiana Criminalistics Laboratory Commission as of December 31, 2018, and the respective change in financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

4112 West Congress Street | P.O. Box 61400 | Lafayette, LA 70596-1400 | 337.988.4930 | 146 West Main Street | New Iberia, LA 70560 | 337.364.4554 | 103 North Avenue F | Crowley, LA 70526 | 337.783.5693

Members of: American Institute of Certified Public Accountants / Society of Louisiana Certified Public Accountants

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 28 and 29, the schedules of proportionate share of the net pension liability (asset) on page 30 and the schedules of pension contributions on page 31 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 budgetary comparison information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

The schedule of compensation, benefits and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated June 26, 2019, on our consideration of the Acadiana Criminalistics Laboratory 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 on 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 Acadiana Criminalistics Laboratory Commission's internal control over financial reporting and compliance.

Broussard Poché, LLP

Lafayette, Louisiana
June 26, 2019

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF NET POSITION
December 31, 2018

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Cash	$ 743,018
Investments	1,210
Accrued interest receivable	25
Due from other governmental agencies	278,672
Flood reimbursement receivable	15,428
Prepaid expenses	419
Capital assets:	
Non-depreciable	43,111
Depreciable, net	664,510
Unfunded net pension asset	176,801
Total assets	$ 1,923,194
DEFERRED OUTFLOWS OF RESOURCES	
Pension contributions subsequent to plan measurement	$ 166,242
Change in proportionate share of pension plan from prior year	2,352
Change in assumptions	223,149
Total deferred outflows of resources	391,743
Total assets and deferred outflows of resources	$ 2,314,937
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
LIABILITIES	
Accounts payable	$ 19,101
Accrued liabilities	74,760
Long-term liabilities:	
Portion due or payable within one year –	
Accrued compensated absences	26,408
Portion due or payable after one year –	
Accrued compensated absences	1,792
Total liabilities	$ 122,061
DEFERRED INFLOWS OF RESOURCES	
Difference between actual and projected earnings of pension plan assets	$ 408,461
Difference between expected and actual experience	114,447
Total deferred inflows of resources	$ 522,908
NET POSITION	
Net investment in capital assets	$ 707,621
Unrestricted	962,347
Total net position	$ 1,669,968
Total liabilities, deferred inflows of resources and net position	$ 2,314,937

See Notes to Financial Statements.

Exhibit B

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

		Program Revenues		Net (Expense) Revenue and Change in Net Position
Function/Program	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Public safety	$ 2,673,990	$ 2,356,056	$ 140,524	$ (177,410)
		General revenues:		
		Investment earnings		$ 577
		Miscellaneous		41,917
		Total general revenues		$ 42,494
		Change in net position		$ (134,916)
		Net position, beginning		1,804,884
		Net position, ending		$ 1,669,968

See Notes to Financial Statements.

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FUND FINANCIAL STATEMENTS

Exhibit C

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

BALANCE SHEET
GOVERNMENTAL FUND
December 31, 2018

	General Fund
ASSETS	
Cash	$ 743,018
Investments	1,210
Accrued interest receivable	25
Due from other governmental agencies	278,672
Flood reimbursement receivable	15,428
Prepaid expenses	419
Total assets	$ 1,038,772
LIABILITIES AND FUND BALANCES	
LIABILITIES	
Accounts payable	$ 19,101
Accrued liabilities	74,760
Total liabilities	$ 93,861
FUND BALANCES	
Nonspendable –	
Prepaid expenses	$ 419
Unassigned	944,492
Total fund balances	$ 944,911
Total liabilities and fund balances	$ 1,038,772

See Notes to Financial Statements.

Exhibit D

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
December 31, 2018

Total fund balance – governmental funds		$ 944,911
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. Those assets consist of:		
Land	$ 43,111	
Building and improvements, net	434,650	
Equipment, net	229,860	707,621
Long-term liabilities, including accrued compensated absences and retirement obligations, applicable to the Commission's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position. Those long-term liabilities consist of:		
Compensated absences	$ (28,200)	
Unfunded net pension asset	176,801	148,601
Deferred outflows and inflows of resources related to pensions and applicable to future periods and, therefore, are not reported in the funds:		
Pension contributions subsequent to plan measurement	$ 166,242	
Difference between actual and projected earnings of pension plan assets	(408,461)	
Change in proportionate share of pension plan from prior year	2,352	
Changes in assumptions	223,149	
Difference between expected and actual experience	(114,447)	(131,165)
Total net position of governmental activities		$1,669,968

See Notes to Financial Statements.

Exhibit E

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
GOVERNMENTAL FUND
For the Year Ended December 31, 2018

	General Fund
Revenues:	
Intergovernmental	$ 140,524
Charges for services	2,356,056
Investment earnings	577
Miscellaneous	41,917
Total revenues	$ 2,539,074
Expenditures:	
Current –	
Public safety	$ 2,526,554
Capital outlay	62,986
Total expenditures	$ 2,589,540
Net change in fund balance	$ (50,466)
Fund balance, beginning	995,377
Fund balance, ending	$ 944,911

See Notes to Financial Statements.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Net change in fund balance – governmental fund		$ (50,466)
The change in net position reported for governmental activities in the statement of activities is different because:		
The governmental fund reports capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 62,986	
Depreciation expense	(112,425)	(49,439)
Some expenses reported in the statement of activities do not require the use of current financial resources: therefore, they are not reported as expenditures in the governmental fund		
Decrease in accrued compensated absences for the current period.		421
The effect of net pension asset, deferred outflow of resources and deferred inflows of resources related to changes in the net pension obligation:		
Commission pension contributions for the fiscal year ended December 31, 2018 which were made after the measurement date of the net pension asset.	$ (166,242)	
Cost of benefits earned net of employee contributions (pension expense)	130,810	(35,432)
Change in net position of governmental activities		$ (134,916)

See Notes to Financial Statements.

Note 1. Summary of Significant Accounting Policies

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

Reporting entity:

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

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

Basis of presentation:

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

Government-wide financial statements –

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

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

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

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

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

Fund financial statements –

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

Basis of accounting:

Government-wide financial statements –

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

Fund financial statements –

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

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

Cash and investments:

Cash consists of amounts in demand deposit accounts for the Commission and short-term investments. State statutes authorize the Commission to invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool.

In accordance with GASB Statement No. 31, investments meeting the criteria specified in the Statement are stated at fair value. Investments which do not meet the requirements are stated at cost. These investments include amounts invested in LAMP. The reported value of the pool is the same as the fair value of the pool shares.

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 statements –

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

	Years
Building and improvements	5 – 39
Furniture, fixtures, and equipment	5 – 7

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.

Compensated absences:

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

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

Deferred outflows/inflows of resources:

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

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

Net position flow assumption:

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

Fund balance flow assumption:

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

Equity classifications:

Government-wide statements –

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

a. Net investment in capital assets – consists of capital assets net of accumulated depreciation.

b. Unrestricted net position – all other net position that do not meet the definition of "net investment in capital assets."

The Commission has no restricted net position as of December 31, 2018.

Fund statements –

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

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;

- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;

- Unassigned fund balance - amounts that are available for any purpose; positive amounts are reported only in the general fund.

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

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned and unassigned.

Use of estimates:

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

Note 2. Deposits and Investments

Deposits:

Custodial Credit Risk – The custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may result in a loss of those assets. The Commission's policy to ensure that there is no exposure to this risk is to require the financial institutions to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage. At December 31, 2018, the carrying amount of the Commission's demand deposits held with a local bank was $743,018 and the bank balance was $752,535. Of the bank balance, $250,000 was secured from risk by federal deposit insurance and remainder by pledged securities held by the custodial banks in the name of the fiscal agent bank (GASB Category 3).

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

Investments:

As of December 31, 2018, the Commission had the following investments and maturities:

Investment Type	Percentage of Portfolio	Fair Value	Less Than One Year	One - Five Years
State Investment Pool (LAMP)	100.00%	$ 1,210	$ 1,210	$ -

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

Credit Risk/Concentration of Credit Risk - Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission limits investments to fully insured and/or fully-collateralized certificates of deposits and direct and indirect obligations of U.S. government agencies.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Commission requires all investments to be in the Commission's name and all ownership securities to be evidenced by an acceptable safekeeping receipt issued by a third-party financial institution which is acceptable to the Commission. Accordingly, the Commission had no custodial credit risk related to its investments at December 31, 2018.

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

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

The dollar weighted average portfolio maturity of the LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days. The LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

Note 3. Capital Assets

Capital assets activity for the year ended December 31, 2018 is as follow:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated –				
Land	$ 43,111	$ -	$ -	$ 43,111
Capital assets being depreciated –				
Building and improvements	$ 945,010	$ -	$ -	$ 945,010
Furniture, fixtures and equipment	2,313,866	62,986	(221,616)	2,155,236
Vehicles	15,353	-	-	15,353
Total capital assets being depreciated	$ 3,274,229	$ 62,986	$ (221,616)	$ 3,115,599
Less accumulated depreciation for –				
Building and improvements	$ (486,302)	$ (24,058)	$ -	$ (510,360)
Furniture, fixtures and equipment	(2,058,625)	(88,367)	2	(1,925,376)
Vehicles	(15,353)	-	-	(15,353)
Total accumulated depreciation	$ (2,560,280)	$(112,425)	$ 221,616	$ (2,451,089)
Total capital assets being depreciated, net	$ 713,949	$ (49,439)	$ -	$ 664,510
Governmental activities capital assets, net	$ 757,060	$ (49,439)	$ -	$ 707,621

Depreciation expense was charged to functions as follows:

Public safety	$ 112,425

Note 4. Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in the liabilities reported as long-term liabilities (asset):

	Beginning Balance	Increases	Decreases	Ending Balance
Unfunded net pension liability (asset)	$ 481,298	$ -	$ 658,099	$ (176,801)
Accrued compensated absences	28,621	-	421	28,200
Total long-term liabilities (asset)	$ 509,919	$ -	$ 658,520	$ (148,601)

Note 5. Compensation of Commission Members

No compensation was paid to Commission members during the year ended December 31, 2018.

Note 6. Pension Plan

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

Plan description:

The Parochial Employees' Retirement System of Louisiana (the "System") is a cost-sharing multiple employer public employee retirement system established and provided for by R.S. Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana. The System is controlled and administered by a separate Board of Trustees.

The System provides retirement benefits to employees of any parish in the state of Louisiana or any governing body or a parish which employs and pays persons serving the parish. For the year ended December 31, 2016, there were 235 contributing employers in Plan A and 52 in Plan B. Employees of the Commission are members of Plan A.

Eligibility:

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

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

Retirement benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

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

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

For employees hired prior to January 1, 2007:

1. Age 55 with thirty (30) years of creditable service.
2. Age 60 with a minimum of ten (10) years of creditable service.
3. Age 65 with a minimum of seven (7) years of creditable service.

For employees hired after January 1, 2007:

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

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

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

Survivor benefits:

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

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

Plan B members need ten (10) years of service credit to be eligible for survivor benefits. Upon the death of any member of Plan B with twenty (20) or more years of creditable service who is not eligible for normal retirement, the plan provides for an automatic Option 2 benefit for the surviving spouse when he/she reaches age 50 and until remarriage if the remarriage occurs before age 55. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

DROP benefits:

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

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

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

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

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

Disability benefits:

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

For Plan B, a member shall be eligible to retire and receive a disability benefit if he/she was hired prior to January 1, 2007 and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement, and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan B shall be paid a disability benefit equal to the lesser of an amount equal to two percent of the member's final average compensation multiplied by his years of service, not to be less than fifteen, or an amount equal to what the member's normal benefit would be based on the member's current final compensation but assuming the member remained in continuous service until his earliest normal retirement age.

Cost of living increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements.

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

Contributions and reserves:

Contributions -

Contributions for all members are established by statute at 9.5% of compensation for Plan A members and 3.0% of compensation for Plan B. The contributions are deducted from the member's salary and remitted by the participating employer.

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2017, the actuarially determined contribution rate was 9.35% of member's compensation for Plan A and 6.75% of member's compensation for Plan B. However, the actual rate for the fiscal year ending December 31, 2017 was 12.50% for Plan A and 8.00% for Plan B.

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

Administrative costs of the System are financed through employer contributions.

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

At December 31, 2018, the Employer reported an asset of $176,801 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2017 and the total pension liability used to calculate the net pension obligation was determined by an actuarial valuation as of that date. The Agency's proportion of the net pension asset was based on a projection of the Commission's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2017, the Commission's proportion was .238197% of Plan A, which was an increase of .004502% from its proportion measured as of December 31, 2016.

For the year ended December 31, 2018, the Agency recognized pension expense of $222,318 less employer's amortization of the change in proportionate share and differences between employer contributions and proportionate share of contributions, $746.

At December 31, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and projected earnings of pension plan assets	$ -	$ 408,461
Change in proportionate share from prior year	2,352	-
Change in assumption	223,149	-
Differences between expected and actual experience	-	114,447
Employer contributions subsequent to the measurement date	166,242	-
	$ 391,743	$ 522,908

That portion of the deferred outflow of resources reported above in the amount of $166,242 results from Commission contributions to the retirement system subsequent to the measurement date, and will be recognized as a reduction of the net pension asset in the year ended December 31, 2018 when the net pension asset measurement date will be December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as an increase in pension expense as follows:

Year Ended:	
2018	$ 27,920
2019	(26,410)
2020	(137,025)
2021	(161,892)
	$ (297,407)

Actuarial assumptions:

The net pension asset was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position. A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2017 are as follows:

Valuation date:	December 31, 2017
Actuarial cost method:	Entry Age Normal Cost
Investment rate of return:	6.75%, net of investment expense, including inflation
Estimated remaining service lives:	4 Years
Inflation rate:	2.50%
Mortality:	Mortality rates based on the RP-2000 Employee Sex Distinct Table for employees
Salary increases:	5.25% (2.75% merit/2.50% inflation)
Inflation rate:	2.50%

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the CAPM pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.62% for the year ended December 31, 2017.

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PERSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2017 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Portfolio Real Rate of Return
Fixed income	35%	1.24%
Equity	52%	3.57%
Alternatives	11%	0.69%
Real estate	2%	0.12%
Totals	100%	5.62%
Inflation		2.00%
Expected arithmetic nominal return		7.62%

The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2010 through December 31, 2014. The data was assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. The RP-2000 Healthy Annuitant Sex Distinct Tables (set forward two years for males and set forward one year for females) projected to 2031 using Scale AA was selected for annuitants and beneficiaries. For disabled annuitants, the RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females was selected. For active employees, the RP-2000 Employee Sex Distinct Tables set back four years for males and three years for females was used.

Sensitivity of the employer's proportionate share of the net pension liability (asset) to changes in the discount rate:

The following presents the Employer's proportionate share of the net pension liability (asset) using the discount rate of 6.75%, as well as what the Employer's proportionate share of the net pension obligation would be if it were calculated using a discount rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1.0% Decrease (5.75%)	Current Discount Rate (6.75%)	1.0% Increase (7.75%)
Employer's proportionate share of the net pension liability (asset)	$ 871,693	$ (176,801)	$ (1,110,415)

Pension plan fiduciary net position:

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Parochial Employees' Retirement System of Louisiana, www.persla.org. The Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2017. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Note 7. Due From Other Governmental Agencies

Amounts due from other governmental agencies consist of the following at December 31, 2018:

State of Louisiana:	
Federal pass-through grant funds	$ 30,911
Court costs due from various courts	247,761
	$ 278,672

Note 8. Risk Management

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

Note 9. Contingent Liabilities

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

Note 10. Federal Emergency Management Agency Disaster Assistance

As the result of historical rainfalls in August 2016, the Crime Lab facility took in 3 inches of flood waters and a back-up sewerage and other contaminants during the event. As a result of the flooding that took place, a massive clean-up and mold remediation took place, as well as the replacement of battery back-ups for computer work stations and some computer equipment. Also lost were some office and laboratory supplies. The facility was not insured for flood damages. The Commission applied for and received disaster assistance from the Federal Emergency Management Agency (FEMA) for partial reimbursement for costs associated with the clean-up and mold remediation. For the year ended December 31, 2018, the Commission estimates the amount of assistance from FEMA to be $15,428, of which all is included as a receivable in the statement of net position.

REQUIRED SUPPLEMENTARY INFORMATION

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Intergovernmental – federal grants	$ 150,968	$ 150,968	$ 140,524	$ (10,444)
Charges for services – court costs	2,537,760	2,537,760	2,356,056	(181,704)
Investment earnings	280	280	577	297
Miscellaneous	1,141	1,141	41,917	40,776
Total revenues	$2,690,149	$2,690,149	$2,539,074	$ (151,075)
Expenditures:				
Current –				
Public safety:				
Personnel costs	$1,765,912	$1,765,912	$1,765,478	$ 434
Workers' compensation	11,761	11,761	9,967	1,794
Travel and training	20,354	20,354	26,507	(6,153)
Printing	500	500	-	500
Telephone and utilities	45,509	45,509	50,189	(4,680)
Equipment rental	30,936	30,936	35,418	(4,482)
Repairs and maintenance	87,774	87,774	78,048	9,726
Insurance	43,978	43,978	44,092	(114)
Office supplies	16,213	16,213	20,335	(4,122)
Postage and shipping	1,908	1,908	1,980	(72)
Lab supplies	286,036	286,036	276,302	9,734
Vehicle and maintenance supplies	3,083	3,083	2,797	286
Professional services	58,917	58,917	57,137	1,780
DNA services	15,967	15,967	7,792	8,175
Grant expenditures	150,968	150,968	140,359	10,609
Other	10,333	10,333	10,153	180
Capital outlay	100,000	100,000	62,986	37,014
Total expenditures	$2,650,149	$2,650,149	$2,589,540	$ 60,609
Net change in fund balance	$ 40,000	$ 40,000	$ (50,466)	$ (90,466)
Fund balance, beginning	995,377	995,377	995,377	-
Fund balance, ending	$1,035,377	$1,035,377	$ 944,911	$ (90,466)

See Note to Budgetary Comparison Schedule.

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

NOTE TO BUDGETARY COMPARISON SCHEDULE

Note 1. Budgets and Budgetary Accounting

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

1. The budget for the General Fund is proposed by the Director and formally approved and adopted by the Commission. It is then sent to the eight parishes served by the Commission and must be approved by a majority.

2. Once adopted, any amendments must be approved by the Commission. The budget procedure is in accordance with Section E of Louisiana Revised Statute 40:2266.1.

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

Schedule H

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULES OF THE PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY (ASSET)
For the Years Ended December 31, 2018, 2017, 2016, 2015 and 2014

	2018	2017	2016	2015	2014
Commission's proportion of the net pension liability (asset)	0.238197%	0.233695%	0.227945%	0.245042%	0.276413%
Commission's proportion share of the net pension liability (asset)	$ (176,801)	$ (481,298)	$ 600,017	$ 66,997	$ 19,643
Commission's covered employee payroll	$ 1,445,587	$ 1,466,142	$ 1,385,942	$ 1,306,941	$ 1,384,364
Commission's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	12.23%	32.83%	43.29%	5.13%	1.42%
Plan fiduciary net position as a percentage on the total pension liability (asset)	1.02%	94.15%	92.23%	99.15%	92.49%

Schedule I

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULES OF PENSION CONTRIBUTIONS
For the Years Ended December 31, 2018, 2017, 2016, 2015 and 2014

	2018	2017	2016	2015	2014
Contractually required contribution	$ 166,242	$ 183,268	$ 180,173	$ 189,507	$ 221,498
Contributions in relation to the contractually required contribution	166,242	183,268	180,173	189,507	221,498
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	1,445,587	1,466,142	1,385,942	1,306,941	1,384,364
Contributions as a percentage of covered-employee payroll	11.50%	12.50%	13.00%	14.50%	16.00%

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OTHER SUPPLEMENTARY INFORMATION

Schedule J

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
For the Year Ended December 31, 2018

Agency Head: Kevin Ardoin

Purpose	Amount
Salary	$ 126,470
Benefits – insurance	12,710
Benefits – retirement	14,544
Reimbursements	387
Travel	611
Registration fees	634
Conference travel	651
Telephone	1,079
	$ 157,086

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

To Acadiana Criminalistics
Laboratory Commission
New Iberia, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2018, and the related notes to financial statements and have issued our report thereon dated June 26, 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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 is required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Commission's internal control and compliance. This report is intended for the information and use of the Acadiana Criminalistics Laboratory Commission, management, others within the entity, federal awarding agencies and pass-through entities, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. Accordingly, this communication is not suitable for any other purpose, however, this report is a matter of public record and its distribution is not limited.

Broussard Poché, LLP

Lafayette, Louisiana
June 26, 2019

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2018

We have audited the basic financial statements of Acadiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2018, and have issued our report thereon dated June 26, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2018 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

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

Internal Control				
Material weaknesses	___	Yes	X	No
Control deficiencies identified that are not considered to be material weaknesses	___	Yes	X	None reported
Compliance				
Compliance material to financial statements	X	Yes	___	No

Section II - Financial Statement Findings

#2018-1 - Budget Violation

Condition: For the year ended December 31, 2018, actual revenues failed to meet budgeted revenues in the General Fund by 5.62%.

Criteria: The Louisiana Local Government Budget Act requires governments to amend their budget when actual revenues fail to meet budgeted revenues or actual expenditures exceed budgeted expenditures by 5% or more in any one fund.

Cause: Un-anticipated audit adjustments required to record accounts receivable at year-end for court cost revenues.

Effect: Not in compliance with Louisiana RS 39:1311.

Recommendation: The budget should be reviewed periodically during the year and amended as necessary to ensure compliance.

Response: The budget will be monitored to ensure compliance with state law.

Schedule K-2

ACADIANA CRIMINALISTICS LABORATORY COMMISSION

SCHEDULE OF PRIOR FINDINGS
For the Year Ended December 31, 2018

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

None reported.

Section II. Internal Control and Compliance Material to Federal Awards

None reported.

Section III. Management Letter

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

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Acadiana Criminalistics
Laboratory Commission
New Iberia, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Acadiana Criminalistics Laboratory Commission (Commission) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Commission's management is responsible for those control and compliance areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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 described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

      We obtained a copy of their budgeting policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

   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.

      We obtained a copy of their purchasing policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

   c. Disbursements, including processing, reviewing, and approving

      We obtained a copy of their disbursement policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

   d. Receipts, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We obtained a copy of their receipts policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

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

We obtained a copy of their payroll/personnel policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

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.

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

Management's response: *Although the laboratory does contain a list of businesses that provide regular services that may or may not be contractual in nature, the laboratory does not have a written policy or procedure addressing these items.*

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).

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

Management's response: *All credit cards are maintained in a central location. All purchases with credit cards are subject to existing procedures regarding Receipts and Disbursements.*

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

We obtained a copy of their travel and expense reimbursement policy effective for the fiscal year ended December 31, 2018. Items noted above are addressed by the policy.

i. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statue 42:111-1121, (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 entity's ethics policy.

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

Management's response: *All employees are required to review the laboratory's Disciplinary Policy which addresses behavioral issues as well as potential consequences, which includes a Grievance Procedure that addresses internal conflicts.*

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

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

Management's response: *The laboratory does not have any debt, and has never incurred debt; thus, the laboratory does not have a written policy or procedure addressing these items.*

Board (or Finance Committee, if applicable)

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

   a. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

      No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

   b. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

      No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

   c. For governmental entities, 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.

      No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Bank Reconciliations

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

   We obtained a listing of all bank accounts. The Commission only had one cash account at December 31, 2018. A representation was obtained by management that the listing was complete.

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

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

b. Bank reconciliations include evidence that a member of management/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

Bank reconciliations include evidence that they were reviewed by the Director. The Director is not responsible for collections or posting to the general ledgers. The Director is responsible for signing all checks prepared by an outside accountant.

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, if applicable.

No outstanding items over 12 months were noted at the statement closing date.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

We obtained a list of all deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. There is only 1 deposit site.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

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

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.

An outside accountant posts all collection entries to the general ledgers and subsidiary ledgers. She is not responsible for collections.

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.

An outside accountant reconciles the cash account on a monthly basis and she is not responsible for collections.

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

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

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:

a. Observe that receipts are sequentially pre-numbered.

Receipts are sequentially pre-numbered.

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

No exceptions noted.

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

No exceptions noted.

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 10 miles from the collection location or the deposit is less than $100).

Collection checks are mailed to the Commission and the reports accompanying the checks are stamped with a "received date". For the first deposit selected, the number of business days between collection and deposit ranged from 1-15 and for the second deposit the days ranged from 1-10.

Management's response: *The laboratory receives collection checks on a regular basis from the district and city courts that we serve. These checks are brought to the bank for deposit. Normally, the laboratory will deposit the checks received on a weekly basis. Sometimes that time interval may extend to upwards of 2 – 3 weeks due to extenuating circumstances.*

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

No exceptions noted.

Non-Payroll Disbursements (excluding Card purchases/payments, travel reimbursements, and pretty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

The Commission has only 1 location that processes payments.

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

   Obtained list of employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties.

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

      Per the Commission's policies, for recurring purchases no purchase orders are necessary. For all recurring purchases, the Director approves the invoices and signs the checks.

      For non-recurring purchases, and employee prepares a purchase order for the items needed and the purchase order is approved by the Director before the order is placed.

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

      The Director approves all purchases and signs checks. The outside accountant processes all payments.

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

      The outside accountant, who is responsible for processing payments, is the only person with access to add/modify vendors, however the Director approves all additions/modifications.

   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.

      The Director signs all checks then gives them to the outside accounts, who is responsible for processing payments, to mail. The outside accountant has no signatory authority.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

    Obtained the non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete.

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

       The disbursements selected for testing matched the related original invoice/billing statement.

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

       For all disbursements selected, the documentation included evidence of all disbursements being handled in agreement with the Commission's disbursement/purchasing policy.

<u>Credit Cards/Debit Cards/Fuel Cards/P-Cards</u>

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.

Management provided a list of all active credit cards, bank debit cards, fuel cards, and P-cards, including the card numbers and the names of the persons who maintain possession of the cards. We obtained management's representation that the listing was complete.

12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

    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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

       The Director approves all individual purchases. For non-recurring purchases that require purchase orders, the Director, who is not the card holder, approves the purchase orders. For recurring purchases, the Director, does not approve the invoices, in writing. The Director reviews the invoices for recurring purchases before signing checks.

       Management's response: *Per the Purchasing policy, non-recurring purchases that require purchase orders, the Director, approves the purchase orders in writing. For recurring purchases, the Director, does not approve the invoices, in writing. The Director reviews the invoices for recurring purchases before signing checks.*

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

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

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

    For the transactions selected for testing, (1) all transactions were supported by an original itemized receipt that identified precisely what was purchased, (2) all had written documentation of the business/public purpose, and (3) none were for meal charges.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

    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).

       No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

       No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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 (procedure #1h).

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

d. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Payroll and Personnel

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

17. Randomly select one pay period during the fiscal period. For the 5 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.)

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

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.

No exceptions noted in Year 1 testing therefore testing excluded in Year 2.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

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

Per discussion with the Director, when employees are hired they complete a training course which includes disciplinary training. Ethics training is not done annually.

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

For the 5 employees selected, we reviewed their electronic signatures saying that they read the entity's policies, which include disciplinary items.

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 State Bond Commission approval was obtained for each bond/note issued.

Not applicable for the Commission as they have no bonds/notes during the current fiscal year.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Not applicable for the Commission as they have no bonds/notes during the current fiscal year.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

    None in the current year.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

    No exceptions noted in Year 1 testing therefore testing excluded in Year 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 those control and compliance 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 solely to describe the scope of testing performed on those control and compliance areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Broussard Poché, LLP

Lafayette, Louisiana
June 26, 2019