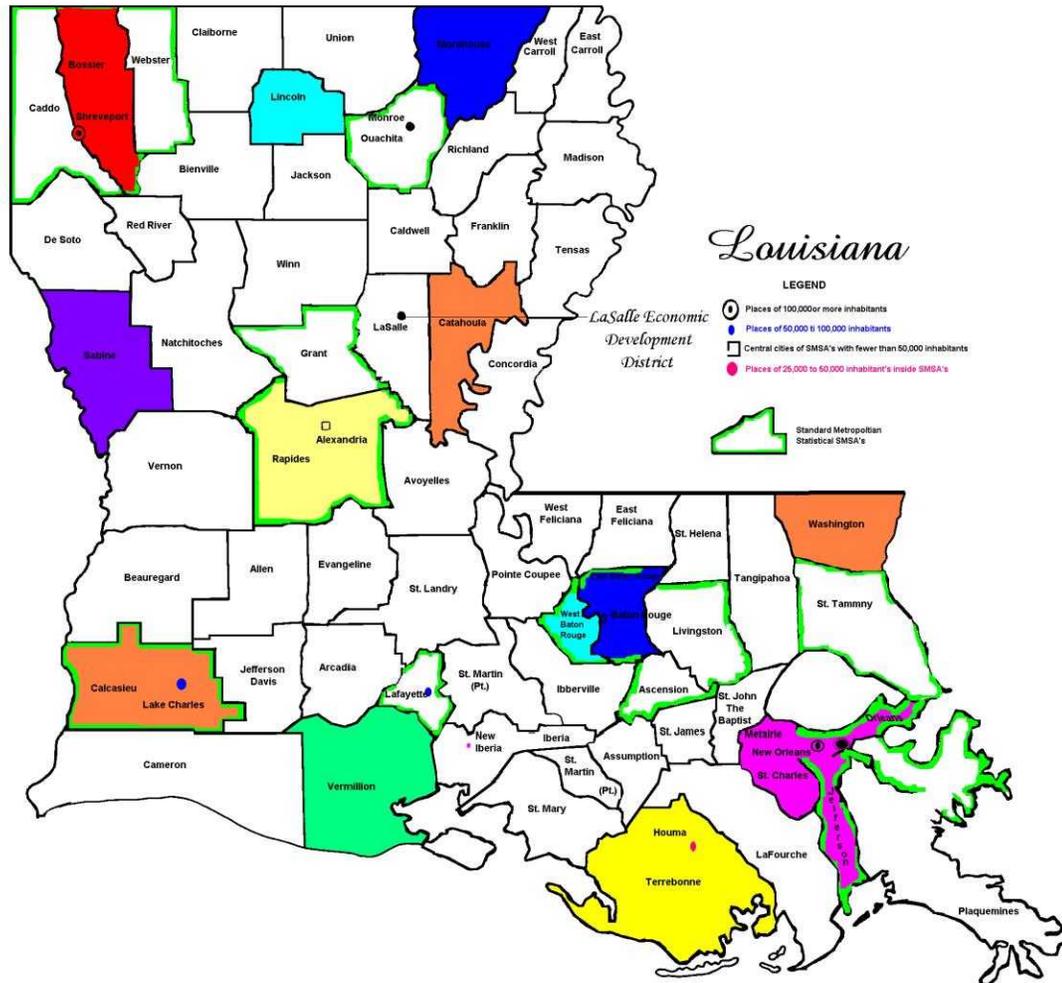


LASALLE ECONOMIC DEVELOPMENT DISTRICT

**Financial Statements
December 31, 2018**

LASALLE ECONOMIC DEVELOPMENT DISTRICT



* LaSalle Economic Development District

The LaSalle Economic Development District (the “District”) is a special district which was created by Louisiana Revised Statute 33:130.201 in 1988. The District is a political subdivision of the State of Louisiana and is governed by a Board of Commissioners appointed by various bodies within LaSalle Parish. The District was created for the primary objective and purpose of promoting and encouraging industrial development, to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.

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INDEPENDENT AUDITOR'S REPORT

Members of the Board
LaSalle Economic Development District
Jena, LA 71342

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the LaSalle Economic Development District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the District'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 opinions.

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 each major fund of the LaSalle Economic Development District, as of December 31, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LaSalle Economic Development District's basic financial statements. The Schedule of Compensation Benefits and Other Payments to Agency Head or Chief Executive Officer is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation of Benefits and Other Payments to Agency Head or Chief Executive Officer is the responsibility of management and was 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 or Chief Executive Officer is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the LaSalle Economic Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 LaSalle Economic Development District's internal control over financial reporting and compliance.

The Vercher Group

Jena, Louisiana
June 25, 2019

**Management's Discussion
& Analysis
(MD&A)**

LaSalle Economic Development District

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the LaSalle Economic Development District, we offer readers of the LaSalle Economic Development District's financial statements this narrative overview and analysis of the financial activities of the LaSalle Economic Development District for the fiscal year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with the LaSalle Economic Development District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the LaSalle Economic Development District exceeded its liabilities at the close of the most recent fiscal year by \$3,370,454 (*net position*). Of this amount, \$286,396 (*unrestricted net position*) may be used to meet the District's ongoing obligations to citizens and creditors.
- The LaSalle Economic Development District had total revenues of \$42,567,456 and total expenditures of \$42,764,285, causing a change in net position of \$(196,829).

REQUIRED FINANCIAL STATEMENTS

The Financial Statements of the Development District report information about the Development District using Governmental Accounting Standards Board (GASB) accounting principles. These statements offer short-term and long-term financial information about its activities. The Balance Sheet includes all of the Development District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Development District creditors (liabilities.) It also provides the basis for computing rate of return, evaluating the capital structure and assessing the liquidity and financial flexibility of the Development District. All of the current year's revenues and expenses are accounted for in the Statements of Revenue Expenditures and Changes in Net Position. This statement measures improvements in the Development District's operations over the past two years and can be used to determine whether the Development District has been able to recover all of its costs through its revenue sources.

MD&A

FINANCIAL ANALYSIS OF THE SERVICE DISTRICT

The Statement of Net Position and the Statements of Revenues, Expenditures, and Changes in Net Position report information about the Development District's activities. These two statements report the net position of the Development District and changes in it. Increases or decreases in the Development District's net position is one indicator of whether its financial health is improving or deteriorating.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

USING THIS ANNUAL REPORT

The LaSalle Economic Development District's annual report consists of financial statements that show information about the LaSalle Economic Development District's fund, a Governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Table 1

Net Position

The following table represents a Statement of Net Position as of December 31, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
ASSETS			
Current Assets	\$ 696,881	\$ 6,660,725	856.0
Capital Assets, Net of Accumulated Depreciation	<u>3,243,900</u>	<u>3,084,058</u>	-5.0
TOTAL ASSETS	<u><u>3,940,781</u></u>	<u><u>9,744,783</u></u>	147.3
LIABILITIES & NET POSITION			
Current Liabilities	373,498	6,374,329	1606.7
Long-Term Liabilities	-0-	-0-	0.0
TOTAL LIABILITIES	<u>373,498</u>	<u>6,374,329</u>	1606.7
NET POSITION			
Net Investment in Capital Assets	3,243,900	3,084,058	-5.0
Unrestricted	<u>323,383</u>	<u>286,396</u>	-11.4
TOTAL NET POSITION	<u><u>3,567,283</u></u>	<u><u>3,370,454</u></u>	-6.0
TOTAL LIABILITIES & NET POSITION	<u><u>\$ 3,940,781</u></u>	<u><u>\$ 9,744,783</u></u>	147.3

MD&A

Table 2

Change in Net Position

The following table represents a Statement of Revenues, Expenses, and Changes in Net Position for the year ended December 31, 2018:

	<u>2017</u>	<u>2018</u>	<u>% Change</u>
REVENUES			
U.S. Immigration & Customs Enforcement	\$ 38,503,293	\$ 42,202,909	10.0
Grants	304,401	95,561	-69.0
Other	88,566	268,986	203.7
TOTAL REVENUES	<u>38,896,260</u>	<u>42,567,456</u>	9.4
EXPENSES			
Salary & Related Taxes	22,465	87,241	288.4
Repair & Maintenance	20,265	18,088	-11.0
Disbursements to GEO Group	38,323,293	42,202,908	10.1
Depreciation	201,563	203,652	1.0
Other Expenses	368,193	252,396	-31.5
TOTAL EXPENSES	<u>38,935,779</u>	<u>42,764,285</u>	9.8
CHANGE IN NET POSITION	(39,519)	(196,829)	398.1
BEGINNING NET POSITION	3,606,802	3,567,283	-1.1
ENDING NET POSITION	<u>\$ 3,567,283</u>	<u>\$ 3,370,454</u>	-6.0

Comparative Information

- Current assets increased by \$5,963,844 or 856.0% from last year. The primary reason for this increase is due to an increase in Accounts Receivable in the amount of \$6,040,621.
- Total liabilities increased by \$6,000,831 or 1606.7%. The primary reason for this increase is due to an increase in accounts payable in the amount of \$6,000,831.
- Total revenues increased by \$3,671,196 or 9.4%. An increase in revenues from U.S. Immigrations & Customs Enforcements in the amount of \$3,699,616 is the primary source of this increase.
- Total expenses increased by \$3,828,506 or 9.8%. An increase in disbursements to GEO Group in the amount of \$3,879,615 is the primary source of this increase.

MD&A

CAPITAL ASSETS

At December 31, 2018, the LaSalle Economic Development District had \$3,084,058 invested in capital assets, including land and equipment.

	<u>2017</u>		<u>2018</u>
Land*	\$ 208,735	\$	208,735
Land-Airport*	406,000		406,000
Improvements	3,688,605		3,732,415
Construction in Progress	-0-		-0-
Accumulated Depreciation	(1,059,440)		(1,263,092)
Capital Assets, Net of Accumulated Depreciation	<u>\$ 3,243,900</u>	\$	<u>3,084,058</u>

*Land in the amount of \$614,735 is not being depreciated.

CONTACTING THE LASALLE ECONOMIC DEVELOPMENT DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the LaSalle Economic Development District's finances and to show the LaSalle Economic Development District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact the LaSalle Economic Development District, Jena, Louisiana.

Basic Financial Statements

**LaSalle Economic Development District
Jena, Louisiana
Statement of Net Position
December 31, 2018**

ASSETS	Governmental Activities
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 272,980
Accounts Receivable	6,387,745
TOTAL CURRENT ASSETS	<u>6,660,725</u>
FIXED ASSETS	
Plant Property & Equipment (Net)	3,084,058
TOTAL FIXED ASSETS	<u>3,084,058</u>
TOTAL ASSETS	<u>9,744,783</u>
LIABILITIES & EQUITY	
CURRENT LIABILITIES	
Accounts Payable	6,374,329
TOTAL CURRENT LIABILITIES	<u>6,374,329</u>
TOTAL NON-CURRENT LIABILITIES	<u>-0-</u>
TOTAL LIABILITIES	<u>6,374,329</u>
NET POSITION	
Net Investment in Capital Assets	3,084,058
Unrestricted Net Position	286,396
TOTAL NET POSITION	<u>\$ 3,370,454</u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District
Jena, Louisiana
Statement of Activities
Year Ended December 31, 2018**

FUNCTIONS/PROGRAMS	EXPENSES	OPERATING GRANTS	CAPITAL GRANTS	NET (EXPENSE) REVENUE
Governmental Activities:				
General Fund	\$ (560,617)	\$ 60,003	\$ 35,558	\$ (465,056)
Special (ICE) Fund	(42,203,668)	42,397,909	-0-	194,241
Total Governmental Activities	\$ (42,764,285)	\$ 42,457,912	\$ 35,558	(270,815)
General Revenues				
				48,699
				12,223
				562
				12,502
				<u>73,986</u>
				Change In Net Position
				(196,829)
				Net Position – Beginning of Year
				3,567,283
				Net Position – End of Year
			\$	<u>3,370,454</u>

The accompanying notes are an integral part of the financial statements.

**LaSalle Economic Development District
Jena, Louisiana
Balance Sheet – Governmental Funds
December 31, 2018**

	GENERAL FUND	SPECIAL (ICE) FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash & Cash Equivalents	\$ 241,982	\$ 30,998	\$ 272,980
Accounts Receivable	-0-	6,387,745	6,387,745
TOTAL ASSETS	241,982	6,418,743	6,660,725
LIABILITIES			
Accounts Payable	16,585	6,357,744	6,374,329
TOTAL LIABILITIES	16,585	6,357,744	6,374,329
FUND BALANCES			
Unassigned	225,397	60,999	286,396
Restricted	-0-	-0-	-0-
TOTAL FUND BALANCES	225,397	60,999	286,396
TOTAL LIABILITIES & FUND BALANCE	\$ 241,982	\$ 6,418,743	\$ 6,660,725

The accompanying notes are an integral part of the financial statements.

LaSalle Economic Development District
Jena, Louisiana
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Position
Year Ended December 31, 2018

Fund balances – total governmental funds	\$	286,396
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore, are not reported in the governmental funds.</p>		
Capital Assets	4,347,150	
Less Accumulated Depreciation	(1,263,092)	
		3,084,058
<p>Long-term liabilities including bonds payable are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Current Notes Payable	-0-	
		-0-
Net position of governmental activities	\$	3,370,454

The accompanying notes are an integral part of the financial statements.

LaSalle Economic Development District
Statement of Revenue, Expenditures & Changes in Fund Balance
For the Year Ended December 31, 2018

	<u>GENERAL FUND</u>	<u>SPECIAL (ICE) FUND</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Immigration & Customs Enforcement	\$ -0-	\$ 42,202,909	\$ 42,202,909
Administrative GEO Income	-0-	195,000	195,000
Grant Income	95,561	-0-	95,561
Occupancy Tax Income	12,223	-0-	12,223
Miscellaneous Income	12,502	-0-	12,502
TOTAL REVENUES	<u>120,286</u>	<u>42,397,909</u>	<u>42,518,195</u>
EXPENDITURES			
Salary & Related Taxes	87,241	-0-	87,241
LaSalle Detention Center-GEO	-0-	42,202,908	42,202,908
Repairs & Maintenance	18,088	-0-	18,088
Capital Outlay	43,810	-0-	43,810
Grant Disbursements	115,000	-0-	115,000
Community Development Program	6,838	-0-	6,838
IESI Garbage Disposal	49,670	-0-	49,670
Healthy Places LaSalle Expenditures	45,003	-0-	45,003
Legal and Accounting	7,924	-0-	7,924
General Expenses	15,354	-0-	15,354
Other Expenditures	11,847	760	12,607
TOTAL EXPENDITURES	<u>400,775</u>	<u>42,203,668</u>	<u>42,604,443</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(280,489)</u>	<u>194,241</u>	<u>(86,248)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	164,000	-0-	164,000
Transfers Out	-0-	(164,000)	(164,000)
Police Jury Reimbursement	48,699	-0-	48,699
Interest Income	562	-0-	562
TOTAL OTHER FINANCING SOURCES (USES)	<u>213,261</u>	<u>(164,000)</u>	<u>49,261</u>
NET CHANGE IN FUND BALANCE	(67,228)	30,241	(36,987)
FUND BALANCE, BEGINNING	292,625	30,758	323,383
FUND BALANCE, ENDING	<u>\$ 225,397</u>	<u>\$ 60,999</u>	<u>\$ 286,396</u>

The accompanying notes are an integral part of the financial statements.

LaSalle Economic Development District
Jena, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Government Funds to the Statement of Activities
Year Ended December 31, 2018

Net change in fund balances – total governmental funds \$ (36,987)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	43,810	
Depreciation Expense	(203,652)	
	(159,842)	(159,842)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of New Long-Term Debt	-0-	
Principal Paid	-0-	
	-0-	-0-

Change in net position of governmental activities \$ (196,829)

The accompanying notes are an integral part of the financial statements.

**NOTES TO THE BASIC
FINANCIAL STATEMENTS**

LASALLE ECONOMIC DEVELOPMENT DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The LaSalle Economic Development District (the “District”) is a special district which was created by Louisiana Revised Statute 33:130.201 in 1988. The District is a political subdivision of the State of Louisiana and is governed by a Board of Commissioners appointed by various bodies within LaSalle Parish. Each board member must be a resident of LaSalle Parish. Each municipality shall appoint one member in a public meeting after receiving applications submitted by residents of the municipality. Each state and federally chartered financial institution with offices in LaSalle Parish shall appoint one member. The following LaSalle Parish bodies shall appoint one member each: LaSalle Parish School Board, LaSalle Parish Police Jury, LaSalle Development Board, and the LaSalle Parish Chamber of Commerce. The board members serve four year terms and receive no compensation.

The District was created for the primary objective and purpose of promoting and encouraging industrial development, to stimulate the economy through commerce, industry, and research and for the utilization and development of natural and human resources of the area by providing job opportunities.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the District is legally separate and fiscally independent, the District is a separate governmental reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information of the State of Louisiana or the general government service provided by that or any other governmental entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying basic financial statements of the District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management’s Discussion and Analysis—for State and Local Governments*.

B. BASIS OF ACCOUNTING & GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Activities are presented using the economic resources method. The accounting objective of the measurement focus is the determination of operating income, changes in net position, and financial position. All assets and liabilities (whether current or noncurrent) associated with the government’s activities are reported. Fund equity is classified as net position. Government activities are presented using the accrual basis of accounting. Under the accrual basis of accounting the Statement of Net Position and Statement of Activities present revenues, expenses and fixed asset acquisitions as follows:

LASALLE ECONOMIC DEVELOPMENT DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

- Revenues- Revenues are recognized in the accounting period in which they are earned.
- Expenses- Expenses are recorded when the liability is incurred or economic assets used.
- Capital Assets- All capital assets are valued at historical cost, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Program revenues included in the Statement of Activities are derived directly from outside parties.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities.

The District reports the following major governmental funds:

- **General Fund** – The General Fund accounts for resources traditionally associated with the District which are not required legally or by sound financial management to be accounted for in another fund.
- **Special Fund** – The Special Fund is used to account for the inflow and outflow of revenue from the U.S. Immigration and Customs Enforcement (ICE) intergovernmental agreement with the District.

In the Fund Financial Statements, governmental fund equity is classified as fund balance. The District has implemented 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:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;
- b. 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;
- c. 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;

LASALLE ECONOMIC DEVELOPMENT DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

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

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

- Net Investment in Capital Assets-Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.
- Restricted Net Position- Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position-All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

D. FUND FINANCIAL STATEMENTS

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The District uses the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Net Position reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred.

E. CASH & CASH EQUIVALENTS

All cash and cash equivalents are reported at cost and are on deposit at federally insured banks. The District's cash (bank balance) at December 31, 2018, totaled \$272,980.

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance.

LASALLE ECONOMIC DEVELOPMENT DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

F. INVENTORIES

The District did not record inventory at December 31, 2018.

G. PREPAID ITEMS

The District did not record prepaid items at December 31, 2018.

H. ACCOUNTS RECEIVABLE

At December 31, 2018, the district had receivables in the amount of \$6,387,745.

I. PROPERTY, PLANT, & EQUIPMENT

Property, plant, and equipment are recorded at cost for purchased assets or at fair market value on the date of any donation. The District uses straight-line depreciation for financial reporting. This entity has a capitalization policy of \$2,500. The following estimated useful lives are generally used.

	<u>Life In Years</u>
Improvements	20 years
Equipment	10-15 years

NOTE 3 – OCCUPANCY SALES TAXES

The State of Louisiana imposed a hotel occupancy sales tax in LaSalle Parish for the District under Revised Statute (R.S.) 47:301 (14)(a). Under the provisions of R.S. 47:321(C) and 322 the taxes shall be credited to the Bond Security and Redemption Fund. After all the obligations of that fund that are due and payable for that fiscal year have been met, the treasurer will pay the remainder into a special fund designated as the “LaSalle Economic Development District Fund”. This money shall be subject to appropriation by the legislature each year. Sixty-seven and one-half percent (67 ½%) shall be utilized by the LaSalle Economic Development District. The remaining thirty-two and one-half percent (32 ½%) is distributed to other LaSalle Parish entities.

LASALLE ECONOMIC DEVELOPMENT DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

NOTE 4 – PLANT PROPERTY & EQUIPMENT

The following is a summary of property, plant, and equipment for the airport and general funds combined for the year ended December 31, 2018:

	Balance 12-31-17	Additions	Deletions	Balance 12-31-18
Land *	\$ 208,735	\$ -0-	\$ -0-	\$ 208,735
Land-Airport *	406,000	-0-	-0-	406,000
Land Improvements	3,688,605	43,810	-0-	3,732,415
Construction in Progress	-0-	-0-	-0-	-0-
Accumulated Depreciation	(1,059,440)	-0-	(203,652)	(1,263,092)
Net Total	\$ 3,243,900	\$ 43,810	\$ (203,652)	\$ 3,084,058

* Land in the amount of \$614,735 is not being depreciated.

NOTE 5 – NOTES PAYABLE

The District had the following accounts payable as of December 31, 2018:

Healthy Places LaSalle Grant Payable	\$	16,585
Accounts Payable (GEO Prison)		6,357,744
Total Accounts Payable	\$	6,374,329

NOTE 7 – COOPERATIVE ENDEAVOR AGREEMENT LASALLE PARISH POLICE JURY

In 2005, the District entered into a cooperative endeavor agreement with the LaSalle Parish Police Jury (the “Jury”) relative to the LaSalle Parish Airport, and all facilities, lands, equipment, movable items, rights, ways and appurtenances thereto appertaining. The Jury conveyed ownership of the parish airport to the District in consideration of the mutual benefit to the parties, the parish, and the surrounding business community. All operations, maintenance, expansions, and improvements will be at the expense and sole discretion of the District. The Jury will remain as co-sponsor of the airport for the sole purpose of facilitating expropriation if needed in the sole discretion of the District to expand the airport, as directed by state and/or federal aviation officials. If the District ceases to exist as a state political subdivision, then in that event, all property conveyed and any improvements, equipment, expansions, and other property rights will revert or be transferred to the Jury and will be used by the Jury at its sole discretion as a public airport facility.

LASALLE ECONOMIC DEVELOPMENT DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS CONTINUED

NOTE 8 – AGREEMENTS

The District entered into an Inter-Governmental Service Agreement (“IGSA”) with the United States Immigration and Customs Enforcement (“ICE”) in fiscal year 2007. This agreement was to provide services for the detention and care of aliens (“detainees”).

A service contract was entered into with the GEO Group, Inc. (“GEO”) effective April 1, 2007, for the provision, management, and operation of a detention facility for the detention and care of detainees and to otherwise perform the District’s responsibilities and obligations as set forth in the IGSA. Upon population of the facility the District was responsible for the billing, collecting, and remitting to GEO the per diem paid by ICE. The District shall be paid for the administrative duties by GEO contingent upon the number of detainees.

NOTE 9 – CONTINGENCIES

The District evaluates contingencies based upon the best available evidence. The District believes that no allowances for loss contingencies are considered necessary. To the extent that resolution of contingencies results in amounts which vary from the District’s estimates, future earnings will be charged or credited.

The principal contingencies are described below:

Litigation and Other Matters – Various claims in the ordinary course of business are pending against the District. In the opinion of management and counsel, insurance is sufficient to cover adverse legal determinations in those cases where a liability can be measured.

LASALLE ECONOMIC DEVELOPMENT DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

NOTE 10 – BOARD MEMBERS

Walter E. Dorroh, Jr.	President
Gayla Warren	Vice-President
Jakki Richardson	Secretary
Tom Kendrick	Treasurer
Cheryl Smith	Member
Dick Zeagler	Member
Lee Richardel	Member
Joe Rachal	Member
Paul Tweedy	Member
John Stephens	Member
Virgie Wilson	Member
Laura Gifford	Member
Dr. Walter Creel	Member
Rhonda Elliott	Member
Keith Tarver	Member

Board members are paid \$-0- for their services.

LASALLE ECONOMIC DEVELOPMENT DISTRICT

**NOTES TO THE BASIC FINANCIAL STATEMENTS
CONTINUED**

NOTE 11– OPERATING TRANSFERS

Operating transfers were made for operational expenditures.

NOTE 12 – ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Immigration & Customs Enforcement provided \$42,202,909 to the District, which represents approximately 99.3% of the District's revenues for the year.

REQUIRED SUPPLEMENTAL INFORMATION

**LaSalle Economic Development District
Jena, Louisiana**

**Statement of Revenues, Expenditures & Changes in Fund Balances
Budget and Actual
Governmental Funds
For the Year Ended December 31, 2018**

	<u>Budget Amounts</u>		<u>ACTUAL AMOUNTS BUDGETARY BASIS</u>	<u>BUDGET TO ACTUAL DIFFERENCES FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUE				
Immigration & Customs Enforcement	\$ 32,000,000	\$ 36,190,000	\$ 42,202,909	\$ 6,012,909
Administrative GEO Income	180,000	165,000	195,000	30,000
Occupancy Sales Tax	15,500	12,200	12,223	23
Grant Income	-0-	35,500	95,561	60,061
Miscellaneous Income	54,000	65,300	61,763	(3,537)
TOTAL REVENUES	<u>32,249,500</u>	<u>36,468,000</u>	<u>42,567,456</u>	<u>6,099,456</u>
EXPENDITURES				
Salary & Related Taxes	85,000	98,000	87,241	10,759
LaSalle Detention Center-GEO	32,000,000	36,190,000	42,202,908	(6,012,908)
Repairs & Maintenance	30,000	58,000	18,088	39,912
Capital Outlay	-0-	-0-	43,810	(43,810)
Other Expenditures	63,000	189,000	252,396	(63,396)
TOTAL EXPENDITURES	<u>32,178,000</u>	<u>36,535,000</u>	<u>42,604,443</u>	<u>(6,069,443)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>71,500</u>	<u>(67,000)</u>	<u>(36,987)</u>	<u>30,013</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-0-	-0-	164,000	164,000
Transfers Out	-0-	-0-	(164,000)	(164,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
NET CHANGE IN FUND BALANCE			(36,987)	
FUND BALANCE, BEGINNING			<u>323,383</u>	
FUND BALANCE, ENDING			<u>\$ 286,396</u>	

OTHER INFORMATION

**LaSalle Economic Development District
Jena, Louisiana**

**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended December 31, 2018**

LaSalle Economic Development District
-Walter E. Dorroh, Jr., President

Purpose	Amount
Salary	\$ -0-
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.



OTHER REPORTS

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

Members of the Board
LaSalle Economic Development District
Jena, LA 71342

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the LaSalle Economic Development District, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the LaSalle Economic Development District's basic financial statements, and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LaSalle Economic Development District'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 LaSalle Economic Development District's internal control. Accordingly, we do not express an opinion on the effectiveness of the LaSalle Economic Development District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LaSalle Economic Development District's financial statements are free from 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item: **2018-1 Budget Variance**.

LaSalle Economic Development District's Response to Findings

The LaSalle Economic Development District's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The LaSalle Economic Development District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

Jena, Louisiana
June 25, 2019

**LASALLE ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended December 31, 2018**

We have audited the financial statements of the LaSalle Economic Development District, as of and for the year ended December 31, 2018, and have issued our report thereon dated June 25, 2019. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Section I Summary of Auditor's Results

Our audit of the financial statements as of December 31, 2018, resulted in an unmodified opinion.

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

Internal Control

Material Weaknesses Yes No Significant Deficiencies Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses Yes No Other Conditions Yes No

Type of Opinion on Compliance Unmodified Qualified

For Major Programs Disclaimer Adverse

Are the finding required to be reported in accordance with Uniform Guidance?

Yes No

c. Identification of Major Programs:

CFDA Number (s)

Name of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance? Yes No

**LASALLE ECONOMIC DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COST- CONTINUED
For the Year Ended December 31, 2018**

Section II Financial Statement Findings

2018-1 Budget Variance (Compliance)

Condition: The LaSalle Economic Development District had an unfavorable expenditure budget variance of \$6,069,443 or 14.3% in the general fund during the year.

Criteria: The Budget Act requires that governments amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Cause of Condition: Not properly amending budget before year end.

Effect of Condition: Violation of the Budget Act.

Recommendation: The budget should be amended when actual revenues fall below budget amounts by more than 5% or when expenditures exceed appropriations by more than 5%.

Client Response: The entity will begin monitoring revenues and expenditures to determine if the budget should be amended.

Section III Federal Awards Findings and Question Costs

Not applicable.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT
DECEMBER 31, 2018**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

2018-1 Budget Variance (Compliance)

Finding: The LaSalle Economic Development District had an unfavorable expenditure budget variance of \$6,069,443 or 14.3% in the general fund during the year. The Budget Act requires that governments amend their budgets when revenues fall below budgeted amounts by more than 5% or when expenditures exceed 5% of appropriations.

Corrective Action: The entity will begin monitoring revenues and expenditures to determine if the budget should be amended.

Contact Person: Walter E. Dorroh, Jr.

Anticipated Completion Date: December 31, 2019

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are situations that may be improved (if any) and recommendations for improvements.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year comments.

**LASALLE ECONOMIC DEVELOPMENT DISTRICT
DECEMBER 31, 2018**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

The management of LaSalle Economic Development District has provided the following action summaries relating to findings brought to their attention as a result of their audit for the year ended December 31, 2017.

PRIOR YEAR FINDINGS

2017-1 Deposits in Excess of FDIC (Resolved)

Condition: Bank deposits at Catahoula Lasalle Bank were under secured by \$40,110 as of December 31, 2017.

Criteria: State Law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

Cause of Condition: Oversight by bank.

Potential Effect of Condition: Loss to the District in the event if a bank failure.

Recommendation: The District's Board should contact its bank periodically to determine that account balances are properly secured.

Client Response & Corrective Action: The District's Board will periodically contact the bank to determine that bank accounts are full

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AGREED-UPON PROCEDURES REPORT

Lasalle Economic Development District

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of January 1, 2018- December 31, 2018

Lasalle Economic Development District
Jena, Louisiana

To the Lasalle Economic Development District (LEDD) and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Jonesboro Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2018 through December 31, 2018. The Entity's management is responsible for those C/C 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
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - 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
 - 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)
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.

- 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. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- 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.

Observation:

- A) We read the minutes of the board and found the board meets quarterly.**
- B) Budget-to-actual comparisons are not presented at each meeting.**
- C) Minutes included non-budgetary financial information such as contract approval and disbursement approvals.**

Exception: Budget-to-actual comparisons are not documented in the minutes.

Management's Response: Budget-to-actual comparisons are reviewed at each meeting by the board and it will be documented in the minutes of each meeting.

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:
 - 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);
 - 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
 - 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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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).

Observation: We obtained a listing and management's representation that the listing is complete.

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

Observation:

- A) **Employees that are responsible for collections do share cash drawer/register.**
- B) **Employees responsible for collections are responsible for preparing/making bank deposits.**
- C) **Employees responsible for collections are responsible for posting collection entries.**
- D) **Employees responsible for reconciling collections to the general ledger subsidiary ledgers are responsible for collections.**

Exception: Employees that are responsible for collections share drawer/register. Employees responsible for collections also make bank deposits, post collection entries, and reconcile ledgers.

Management Response: The District only has two office personnel and one register and implementing the above procedures would cause financial hardship to the entity

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

Observation: Each person responsible for collection cash is not bonded.

Exception: Each person is not bonded.

Management's Response: The cost does not justify the benefit of implementing this procedure.

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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - 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).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

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

Observation: We obtained the listing and management’s representation that the listing is complete.

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:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - 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.
 - 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.

Observation:

- A) **At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.**
- B) **At least two employees are involved in processing and approving payments to vendors.**

- C) **The employee responsible for processing payments has another employee responsible for periodically reviewing changes to vendor files.**
 - 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.**
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:
- a) Observe that the disbursement 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.

Observation:

- A) **The disbursement matched the related original invoice/billing statement.**
- B) **The disbursement documentation included evidence (e.g., initial/date) of segregation of duties tested under #9.**

Credit Cards/Debit Cards/Fuel Cards/P-Cards

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

Observation: The entity does not have any credit/debit/fuel cards.

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

Observation: The entity does not have any credit/debit/fuel cards.

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).

Observation: The entity does not have any credit/debit/fuel cards.

Travel and Travel-Related Expense Reimbursements

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).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.)
- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.
- 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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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.

Observation: Not Applicable; no debt.

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.

Observation: Not Applicable; no debt.

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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal 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.

Observation: These procedures were applied in the previous year and no exceptions were noted. These procedures will be applied in the next fiscal year.

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 C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

The Vercher Group

Jena, Louisiana
June 25, 2019