

Financial Report

LAT Workforce Development Board, Inc.

Houma, Louisiana

For the year ended June 30, 2019

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LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities and the General Fund of LAT Workforce Development Board, Inc. (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the LAT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the LAT's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

expressing an opinion on the effectiveness of the LAT's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 the General Fund of the LAT Workforce Development Board, Inc. as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the LAT's basic financial statements. The accompanying combining schedule of program balance sheets at June 30, 2019, the combining schedule of program revenues, expenditures and changes in fund balance and the schedule of compensation, benefits and other payments to agency head or chief executive officer for the year then ended are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

The combining schedule of program balance sheets at June 30, 2019, the combining schedule of program statements revenues, expenditures and changes in fund balance, the schedule of compensation, benefits and other payments to agency head or chief executive officer and the schedule of expenditures of federal awards for the year then ended are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2019 on our consideration of the LAT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governmental Auditing Standards in considering LAT's internal controls over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 30, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

LAT Workforce Development Board, Inc.

The Management's Discussion and Analysis of the LAT Workforce Development Board, Inc. (the LAT) financial performance presents a narrative overview and analysis of the LAT's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the LAT's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The LAT's revenues primarily consist of reimbursements of grant expenditures/expenses. Therefore, LAT's financial statements are considered to be substantially expenditure/expense driven and changes in expenditures/expenses are directly offset by similar changes in revenues.
- At the end of any reporting period the LAT's accounts payable primarily consist of unpaid expenditures/expenses which will be reimbursed to the LAT through grant funds.
- The LAT's revenue increased \$36,752 or 2.37% primarily due to an increase in funding received during the year and expenses increased \$31,773 or 2.03% primarily due an increase in program expenditures.
- The LAT's assets exceeded its liabilities at the close of fiscal year 2019 by \$5,240 (net position). This was a decrease in net position of 56.98% since the end of the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

The governmental activity of the LAT is to provide funds to subrecipients for job training and related support services.

Fund Financial Statements

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

Governmental Funds

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

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the LAT's financial position. For the fiscal year ended June 30, 2019, assets exceeded liabilities by \$5,240. Long-term liabilities outstanding consist entirely of accumulated unpaid vacation and sick leave due after one year.

Condensed Statements of Net Position

	June 30,		Dollar
	2019	2018	Change
Current and other assets	\$ 97,587	\$ 111,244	\$ (13,657)
Capital assets	458	1,143	(685)
Total assets	98,045	112,387	(14,342)
Long-term liabilities outstanding	14,781	12,753	2,028
Unearned revenue	51,697	-	51,697
Other liabilities	26,327	87,455	(61,128)
Total liabilities	92,805	100,208	(7,403)
Net Position:			
Invested in capital assets	458	1,143	(685)
Unrestricted	4,782	11,036	(6,254)
Total net position	\$ 5,240	\$ 12,179	\$ (6,939)

Governmental Activities

Governmental activities decrease the LAT's net position by \$6,939. Key elements of this decrease are as follows:

Condensed Statement of Activities

	For the year ended June 30		Dollar	Total
	2019	2018	Change	Percent
				Change
Revenues:				
Intergovernmental:				
Federal government -				
reimbursements grants	\$ 1,590,366	\$ 1,528,163	\$ 62,203	4.07%
Charges for services	-	25,451	(25,451)	-100.00%
 Total revenues	 1,590,366	 1,553,614	 36,752	 2.37%
 Expenses:				
Current:				
Economic opportunity	1,597,305	1,565,532	31,773	2.03%
 Decrease in net assets	(6,939)	(11,918)	4,979	41.78%
Net position beginning of year	12,179	24,097	(11,918)	-49.46%
Net position end of year	\$ 5,240	\$ 12,179	\$ (6,939)	-56.98%

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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the LAT's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the LAT's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the LAT's governmental fund reported a \$15,434 fund balance. Major differences between the prior year and the current year's changes in revenues and expenditures were as follows:

Revenues

- Intergovernmental revenues increased by \$62,203 in federal government grants due to increase in state funding.

Expenditures

- Overall expenditures increased by \$31,773 which is primarily related to an increase program expenditures.

General Fund Budgetary Highlights

During the year, actual revenues and expenditures were less than the budgetary estimates by \$690,655 and \$686,250, respectively. The LAT's primary budget source is reimbursement grants. Therefore increases in appropriated grants at federal and state levels are reflected as increases in revenues and expenses/expenditures in the LAT's financial statements. The budget was not amended during 2019. Because the LAT is substantially an expenditure driven organization budget amendments were not required.

CAPITAL ASSETS

The LAT's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$458 (net of accumulated depreciation), which is the net value after current year's depreciation of \$685 on an office copier purchased during a previous year. Fully depreciated capital assets remaining in use by the LAT include a vehicle and office furniture and fixtures.

Additional information on the LAT's capital assets can be found in Note 4, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the LAT's finances for all those with an interest in the LAT's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Directors of the LAT Workforce Development Board, Inc., 911 Bond St., Houma, Louisiana 70360.

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Position</u>
Assets			
Cash	\$ 67,125		\$ 67,125
Due from the State of Louisiana	25,362		25,362
Receivables - miscellaneous	971		971
Prepaid insurance	-	\$ 4,129	4,129
Depreciable capital assets, net of accumulated depreciation	<u>-</u>	<u>458</u>	<u>458</u>
Total assets	<u>\$ 93,458</u>	<u>4,587</u>	<u>98,045</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 26,327		26,327
Unearned revenue	51,697		51,697
Long-term liabilities	<u>-</u>	<u>14,781</u>	<u>14,781</u>
Total liabilities	78,024	14,781	92,805
Fund Balance/Net Position			
Fund balance - unassigned	<u>15,434</u>	<u>(15,434)</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 93,458</u>		
Net position:			
Net investment in capital assets		458	458
Unrestricted		<u>4,782</u>	<u>4,782</u>
Total net position		<u>\$ 5,240</u>	<u>\$ 5,240</u>

See notes to financial statements.

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

Fund Balance - Governmental Fund	\$	15,434
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.

Governmental capital assets	\$ 37,354	
Less accumulated depreciation	<u>(36,896)</u>	458

Other assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund

Prepaid Insurance		4,129
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Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.

Accrued unpaid compensated absences		<u>(14,781)</u>
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Net Position of Governmental Activities	\$	<u>5,240</u>
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See notes to financial statements.

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

	<u>General Fund</u>	<u>Adjustments (Exhibit D)</u>	<u>Statement of Activities</u>
Revenues			
Intergovernmental	\$ 1,590,366		\$ 1,590,366
Expenditures - Economic Opportunity			
Current:			
Administrative:			
Personal services	188,742	\$ 1,849	190,591
Supplies and materials	2,942	-	2,942
Other services and charges	54,959	-	54,959
Repairs and maintenance	4,466	-	4,466
Depreciation	-	685	685
	<u>251,109</u>	<u>2,534</u>	<u>253,643</u>
Program distributions for training related/ supportive services	<u>1,343,662</u>	<u>-</u>	<u>1,343,662</u>
Total expenditures	<u>1,594,771</u>	<u>2,534</u>	<u>1,597,305</u>
Net Change in Fund Balance	(4,405)	4,405	-
Change in Net Position	-	(6,939)	(6,939)
Fund Balance/ Net Position			
Beginning of year	<u>19,839</u>	<u>(7,660)</u>	<u>12,179</u>
End of year	<u>\$ 15,434</u>	<u>\$ (10,194)</u>	<u>\$ 5,240</u>

See notes to financial statements.

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

Net Change in Fund Balance - Governmental Fund	\$	(4,405)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense		(685)
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Some expenses are reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund.

Increase in prepaid insurance	\$ 179	
Increase in compensated absences	(2,028)	(1,849)

Change in Net Position of Governmental Activities	\$	<u>(6,939)</u>
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See notes to financial statements.

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues	\$ 2,281,021	\$ 2,281,021	\$ 1,590,366	\$ (690,655)
Expenditures - Economic Opportunity				
Current:				
Administrative:				
Personal services	203,774	203,774	188,742	15,032
Supplies and materials	5,500	5,500	2,942	2,558
Other services and charges	74,820	74,820	54,959	19,861
Repairs and maintenance	14,000	14,000	4,466	9,534
	298,094	298,094	251,109	46,985
Program distributions to subrecipients for reimbursement of training related/ supportive services	1,982,927	1,982,927	1,343,662	639,265
Total expenditures	2,281,021	2,281,021	1,594,771	686,250
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	(4,405)	<u>\$ (4,405)</u>
Fund Balance				
Beginning of year			19,839	
End of year			<u>\$ 15,434</u>	

See notes to financial statements.

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

June 30, 2019

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) Reporting Entity

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

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

The LAT receives the revenue reported in its General Fund from Federal financial assistance grants provided by WIOA Title I-B, Grant Programs as pass-through grants from the State of Louisiana Workforce Commission. The LAT may receive fees under an agreement with the Southwest Louisiana Health Education Center for testing participants in the Healthcare Recovery Training System (Hearts) program, and an agreement with the Social Security Administration Office for the Ticket-to-Work program.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (continued)

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

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

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

b) Basis of Presentation

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

Government-wide Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Basis of Presentation (continued)

Fund Financial Statements:

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

The following is the Governmental Fund of the LAT:

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

c) Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (continued)

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

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

d) Use of Estimates

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

e) Operating Budgetary Data

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

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

f) Accounts Receivable

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets

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

Government-wide Financial Statements:

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

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

Office furniture and fixtures	5 years
Vehicle	5 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

h) Compensated Absences

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Compensated Absences (continued)

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

In the government-wide financial statements, the net change in accumulated unpaid vacation and sick leave liability is recorded as an expense and the total a long-term obligation. In accordance with GASB Interpretation No. 6, *"Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements,"* (issued in March 2000), no compensated absences liability is recorded at June 30, 2019 in the governmental fund-type financial statements.

i) Income Taxes

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

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2016, and later remain subject to examination by the taxing authorities. As of June 30, 2019 management of LAT believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

j) Fund Equity

Government-wide Statements:

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

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of debt proceeds used in the acquisition of those assets. At June 30, 2019 the LAT did not report any borrowings.
- b. Restricted net position – Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Fund Equity (continued)

- c. Unrestricted net position – All other net assets that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the LAT’s policy to use restricted resources first, then unrestricted resources as they are needed. At June 30, 2019, the LAT did not have or receive restricted assets.

Fund Financial Statements:

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

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

For the classification of Governmental Fund balances, the LAT considers expenditure to be made from the most restrictive first when more than one classification is available. The LAT’s fund balance was classified as unassigned as of June 30, 2019.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements

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

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement did not affect the LAT's financial statements.

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

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

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (continued)

Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) New GASB Statements (continued)

Statement No. 90, "*Majority Equity Interest*" the primary objectives of this Statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Note 2 - CASH

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

Note 3 - DUE FROM THE STATE OF LOUISIANA

Amounts reported as due from the State of Louisiana at June 30, 2019 totaled \$25,362 and are due from the following state departments:

	<u>Amount</u>
Department of Children and Family Services	\$ 25,140
Louisiana Workforce Commission	<u>222</u>
	<u>\$ 25,362</u>

Note 4 - CHANGES IN CAPITAL ASSETS

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

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets being depreciated:				
Office furniture and fixtures	\$ 23,794	\$ -	\$ -	\$ 23,794
Vehicle	<u>13,560</u>	<u>-</u>	<u>-</u>	<u>13,560</u>
Total capital assets being depreciated	<u>37,354</u>	<u>-</u>	<u>-</u>	<u>37,354</u>
Less accumulated depreciation for:				
Office furniture and fixtures	(22,651)	(685)	-	(23,336)
Vehicle	<u>(13,560)</u>	<u>-</u>	<u>-</u>	<u>(13,560)</u>
Total accumulated depreciation	<u>(36,211)</u>	<u>(685)</u>	<u>-</u>	<u>(36,896)</u>
Total capital assets, net	<u>\$ 1,143</u>	<u>\$ (685)</u>	<u>\$ -</u>	<u>\$ 458</u>

Note 5 - LONG-TERM LIABILITIES

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

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

Long-term liabilities, July 1, 2018	\$ 12,753
Net increase in accumulated unpaid vacation and sick leave	<u>2,028</u>
Long-term liabilities, June 30, 2019	<u><u>\$ 14,781</u></u>

Note 6 - OFFICE RENTAL

Office space is rented for \$685 per month on a month-to-month basis the rentals are considered operating. Rental expenditures incurred amounted to \$8,220 during the year ended June 30, 2019.

Note 7 - ECONOMIC DEPENDENCY

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

Note 8 - RISK MANAGEMENT

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

Note 9 - EMPLOYEE RETIREMENT PLAN

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

Note 9 - EMPLOYEE RETIREMENT PLAN (Continued)

Benefit terms, including contribution requirements are established and may be amended by the LAT Board. For each employee the LAT contributes 5% of annual salary to the employee's individual retirement account, (IRA). The IRAs are the property of the participating employee. The employees are permitted to make contributions, up to applicable Internal Revenue Code limits. For the year ended June 30, 2019, employee contributions totaled \$6,522 and the LAT recognized an equal amount as pension expense.

Note 10 - COMPENSATION OF BOARD OF DIRECTORS

No compensation was paid to Directors of the LAT Workforce Development Board, Inc. for the year ended June 30, 2019.

Note 11 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 30, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

GENERAL FUND PROGRAMS

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

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

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

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

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

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

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

June 30, 2019

	Adult Program	Youth Program	Dislocated Worker Program	Step	Ticket - to - Work	Hearts	Total
Assets							
Cash	\$ 65,617					\$ 1,508	\$ 67,125
Due from the State of Louisiana	-	\$ 222		\$ 25,140		-	25,362
Receivables - miscellaneous	971	-		-		-	971
Total assets	<u>\$ 66,588</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 25,140</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 93,458</u>
Liabilities							
Accounts payable and accrued expenditures	\$ 26,327						\$ 26,327
Unearned Revenue	15,169		36,528				51,697
Due to (from) other programs	25,092	\$ 222	\$ (36,528)	\$ 25,140	\$ (46,005)	\$ 32,079	-
Total liabilities	66,588	222	-	25,140	(46,005)	32,079	78,024
Fund Balance							
Fund Balance - unassigned	-	-	-	-	46,005	(30,571)	15,434
Total liabilities and fund balance	<u>\$ 66,588</u>	<u>\$ 222</u>	<u>\$ -</u>	<u>\$ 25,140</u>	<u>\$ -</u>	<u>\$ 1,508</u>	<u>\$ 93,458</u>

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

	Adult Program	Youth Program	Dislocated Worker Program	Step	Ticket-to- Work	Hearts	Total
Revenues							
Intergovernmental:							
Federal:							
Department of Labor	<u>\$ 725,927</u>	<u>\$ 539,959</u>	<u>\$ 324,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1,590,366</u>
Expenditures - Economic Opportunity							
Current:							
Administrative:							
Personal services	55,219	65,345	68,178	-	-	-	188,742
Supplies and materials	810	894	902	-	-	336	2,942
Other services and charges	13,158	16,167	21,565	-	-	4,069	54,959
Repairs and maintenance	<u>1,445</u>	<u>1,551</u>	<u>1,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,466</u>
	70,632	83,957	92,115	-	-	4,405	251,109
Program distributions for training training related/supportive services	<u>655,295</u>	<u>456,002</u>	<u>232,365</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,343,662</u>
Total expenditures	<u>725,927</u>	<u>539,959</u>	<u>324,480</u>	<u>-</u>	<u>-</u>	<u>4,405</u>	<u>1,594,771</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>(4,405)</u>	<u>(4,405)</u>
Fund Balance							
Beginning of year					<u>46,005</u>	<u>(26,166)</u>	<u>19,839</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,005</u>	<u>\$ (30,571)</u>	<u>\$ 15,434</u>

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

LAT Workforce Development Board, Inc.

For the Year Ended June 30, 2019

Agency Head Name: Frank Lewis

Purpose	Amount
Salary	\$ 79,272
Benefits - insurance	26,927
Benefits - retirement	3,964
Benefits - other	-
Car allowance	-
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Travel	-
Registration fees	-
Conference travel	-
Continuing professional education fees	-
Housing	133
Unvouchered expenses	-
Meals	43
	<hr/>
	<u>\$ 110,339</u>

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

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of LAT Workforce Development Board, Inc., (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the LAT's basic financial statements and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LAT's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAT's internal control. Accordingly, we do not express an opinion on the effectiveness of LAT's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 30, 2019.

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

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

Report on Compliance for each Major Federal Program

We have audited LAT Workforce Development Board, Inc.'s, (the LAT), a component unit of Lafourche Parish Council, State of Louisiana, compliance with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the LAT's major federal programs for the year ended June 30, 2019. The LAT's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of LAT's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and *Uniform Guidance* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the LAT's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, LAT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the LAT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered the LAT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each federal major program and to test and report on internal control over compliance in accordance with *Uniform Guidance* but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the LAT's internal control over compliance.

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

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

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

Bourgeois Bennett, L.L.C.
Certified Public Accountants.

Houma, Louisiana,
December 30, 2019.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

<u>Federal Grantor/Pass- Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Award/ Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Department of Labor				
<u>Pass-Through Payments:</u>				
<u>Louisiana Workforce Commission:</u>				
<u>WIOA Cluster:</u>				
WIOA Adult Program	17.258	OCR #474-000559	\$ 725,927	\$ 655,295
WIOA Youth Activities	17.259	OCR #474-000559	539,959	456,002
WIOA Dislocated Workers	17.278	OCR #474-000559	<u>324,480</u>	<u>232,365</u>
Total Expenditures of Federal Awards			<u>\$ 1,590,366</u>	<u>\$ 1,343,662</u>

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the LAT under programs of the federal government for the year ended June 30, 2019. The information in this SEFA is presented in accordance with the requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the SEFA presents only a selected portion of the operations of the LAT, it is not intended to and does not present the financial position, changes in net position, or cash flows of the LAT.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Note 3 - INDIRECT COST RATE

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

Note 4 - RECONCILIATION TO FINANCIAL STATEMENTS

Total federal expenditures for the year ended June 30, 2019 reconciles to the LAT's financial statements for the year ended June 30, 2019 as follows:

Total federal expenditures	\$ 1,590,366
Non federal expenditures	<u>4,405</u>
Total expenditures	<u><u>\$ 1,594,771</u></u>

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ☐ yes ☒ no

c) Identification of Major Programs:

CFDA Number(s)

17.258
17.259
17.278

Name of Federal Program

WIA/WIOA Cluster
WIA/WIOA Adult Program
WIA/WIOA Youth Activities
WIA/WIOA Dislocated Workers

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

Section I Summary of Auditor's Results (Continued)

Dollar threshold used to distinguish between Type A
and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 X yes no

Section II Financial Statement Findings

No financial statement findings were noted during the audit of the financial statements for the year ended June 30, 2019.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2019.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

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

Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2018.

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

Compliance

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

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2018.

Section III Management Letter

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

MANAGEMENT'S CORRECTIVE ACTION PLAN

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

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

Internal Control

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

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

Compliance

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

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit of the financial statements for the year ended June 30, 2019.

Section III Management Letter

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

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board Members
LAT Workforce Development Board, Inc.
P.O. Box 4115
Houma, LA 70361

We have performed the procedures described in Schedule 4, which were agreed to by the LAT Workforce Development Board, Inc. (the LAT) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2019. The Board's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the AICPA and applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 4.

We were not engaged to, and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on these C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 23:513, this report is distributed by the LLA as a public document.

Bourgeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana.
December 30, 2019.

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

LAT Workforce Development Board, Inc.

For the year ended June 30, 2019

The required procedures and our findings are as follows:

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

1. Obtain and inspect LAT's written policies and procedures and observe that they address each of the following categories, as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.

Performance: Obtained and read the written policy for purchasing.
Exceptions: The policy did not contain a provision about how vendors are added to the vendors list.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to contain the requirements included above.
Exceptions: There were no exceptions noted.

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

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue (e.g., periodic confirmation with outside parties).

Performance: Inquired of management as to a written receipts/collections policy.

Exceptions: The LAT does not have a receipts/collections policy.

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

Performance: Obtained and read the written policy for payroll and personnel, and found it contained all listed requirements.

Exceptions: There were no exceptions noted.

- f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Performance: Obtained and read written policy for contracting.

Exceptions: Management's policy on contracting does not include a provision for standard terms and conditions or a legal review.

- 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.

Performance: Obtained and read the written policy for credit cards, and found it contained all listed requirements.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the travel and expense reimbursement policy.

Exceptions: The policy does not include the documentation requirements.

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

- i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

Performance: Inquired of management as to an ethics policy. Due to the quasi-governmental status of the LAT, management is not required to have a policy on ethics, however, they have a policy written as best practice.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management as to a debt service policy. Due to the quasi-governmental status of the LAT, management is not required to have a policy on debt service.

Exceptions: There were no exceptions noted.

- k) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups; (2) storage of backups in a separate physical location isolated from the network; (3) periodic testing/verification that backups can be restored; (4) use of antivirus software on all systems; (5) timely application of all available system and software patches/updates; and (6) identification of personnel, processes, and tools needed to recover operations after critical event.

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

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

Procedures performed on the LAT's board:

- 2. Obtain and review the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Prior year testing resulted in no exceptions related to LAT's board. Therefore, testing not required in the current year.

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

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Performance: Prior year testing resulted in no exceptions related to LAT's board.
Therefore, testing not required in the current year.

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least 1 meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Prior year testing resulted in no exceptions related to LAT's board.
Therefore, testing not required in the current year.

Procedures performed on the LAT's bank reconciliations:

- 3. Obtain a listing of the LAT's bank accounts from management and management's representation that the listing is complete. Management will identify the main operating account. Select the LAT's main operating account and select 4 additional accounts (or all accounts if less than 5). Select 1 month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

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

- 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);

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

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

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

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

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

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

Procedures performed on the LAT's collections:

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select 1 collection location for each deposit site (i.e., collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

- 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.

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

- 7. Randomly select 2 deposit dates for each of the 2 bank accounts (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits and:

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

- d) Observe that the deposit was made within 1 business day of receipt at the collection location (within 1 week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

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

Performance: LAT only receives funds through electronic fund transfer; therefore; testing of collection procedures is not required in the current year.

Procedures performed on the LAT's non-payroll disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments):

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

Performance: Obtained the listing of locations that process payments, and received management's representation in a separate letter. LAT only has 1 location that processes payments.

Exceptions: There were no exceptions noted.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the LAT has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Procedures performed on the LAT's non-payroll disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)

- a) At least 2 employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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

Exceptions: There were no exceptions noted.

- b) At least 2 employees are involved in processing and approving payments to vendors.

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

Exceptions: There were no exceptions noted.

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

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

Exceptions: Only the Accountant uses the accounting software, therefore, the employee responsible for processing payments also adds/modifies vendor files. No other employee reviews the 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.

Performance: Inspected policy manuals and inquired of management duties of mailing signed check.

Exceptions: After checks are signed by Executive Director, the checks are given back to the Accountant to mail. The Accountant is also responsible for processing payments.

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

Performance: Obtained LAT's disbursement listing for the fiscal period, and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Procedures performed on the LAT's non-payroll disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)

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

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

Exceptions: There were no exceptions noted.

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

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

Exceptions: There were no exceptions noted.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Performance: Observed the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

12. Using the listing prepared by management, select 5 cards (or all cards if the entity has less than 5 cards) that were used during the fiscal period. Randomly select 1 monthly statement or combined statement for each card (for a debit card, select 1 monthly bank statement), obtain supporting documentation and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Performance: Obtained the April statement for the American Express credit card and observed the supporting documentation, as well as approvals.

Exceptions: There were no exceptions noted.

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

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

Performance: Traced credit card payment and balance on the credit card statement in order to note if any fees were applied to the balance.

Exceptions: There were no exceptions noted.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cars, 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).

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

- 1) An original itemized receipt (i.e., identifies precisely what was purchased).

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

- 2) Written documentation of the business/public purpose.

Performance: Observed documentation of the purpose of each transaction.

Exceptions: One transaction did not include a specific business purpose.

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

Performance: Observed documentation of credit card transactions. None of the transactions tested were for meal charges.

Exceptions: There were no exceptions noted.

Procedures performed on the LAT's travel and expense reimbursements:

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

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

Procedures performed on the LAT's travel and expense reimbursements: (Continued)

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

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

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

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

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedures #1h).

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

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

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

Procedures performed on the LAT's 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. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, and:

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

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

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

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

- 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).

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

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

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

Procedures performed on the LAT's payroll and personnel:

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

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

- 17. Randomly select 1 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).

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

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

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

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

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

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

18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

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

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

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

Procedures performed on the LAT's ethics:

20. Using the 5 selected employees/officials from procedure #16 under "Procedures performed on the LAT's payroll and personnel" above, obtain ethics compliance documentation from management and:

- a) Observe that the documentation demonstrates each employee/official completed 1 hour of ethics training during the fiscal period.

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

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

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

Procedures performed on the LAT's debt service:

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

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

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Select 1 bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

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

Other procedures performed on the LAT:

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

Performance: Inquired of management of any misappropriations of public funds or assets.
Exceptions: There were no exceptions noted.

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

Performance: Inquired and observed such notice posted on the premises.
Exceptions: There were no exceptions noted.

Management's Overall response to Exceptions:

1. As a response to exception reported at 1b), management will include a provision about how vendors are added to the vendor listing in the existing policy.
2. As a response to exception reported at 1d), management will adopt receipt/collection policy that includes provisions about receiving, recording, and preparing deposits.
3. As a response to exception reported at 1f), management will add provisions for standard terms and conditions and legal review to the existing contracting policy.
4. As a response to exception reported at 1h), management will add a provision for documentation requirements to the existing travel and expense reimbursement policy.
5. As a response to exception reported at 1k), management will adopt a disaster recovery/business continuity policy before the ending of fiscal year 2020.
6. As a response to exception reported at 9c), Executive Director will approve all new vendors and additions to the vendor listing. The Director does not have access to the accounting software.
7. As a response to exception reported at 9d), management will consider assigning duties to other employees to establish segregation of duties.
8. As a response to exception reported at 13a(2), management will ensure that all transactions contain documentation of business/public purpose.