

Financial Report

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2023

Financial Report

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

June 30, 2023

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PRINCIPAL OFFICIALS

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

June 30, 2023

<u>Commission Members</u>	<u>Office</u>
Ray Bernard	
Roberta Dickerson	
Suzanne Howell	President
Dwayne Rebstock	
Damon Stentz	Secretary-Treasurer
Arthur Rice	
Brooks Wallace	

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT

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

Opinion

We have audited the accompanying financial statements of the governmental activities and General Fund of Lafourche Parish Juvenile Justice Commission (the “Commission”), a component unit of the Lafourche Parish Council, State of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements as listed in the table of contents.

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 Commission as of June 30, 2023 and the respective changes in net position and budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an 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 inquires 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information on page 33 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 14, 2023 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.



Certified Public Accountants.

Houma, Louisiana,
September 14, 2023.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Parish Juvenile Justice Commission

Thibodaux, Louisiana

June 30, 2023

The Management's Discussion and Analysis of the Lafourche Parish Juvenile Justice Commission's (the "Commission") financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the financial statements which follow this section.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities as of June 30, 2023 by \$1,735,973 (net position), which represents a 0.33% decrease from June 30, 2022.

The Commission's revenue decreased \$227,143 (or 5.90%) primarily due to a decrease in ad valorem taxes and miscellaneous revenues.

The Commission's expenses decreased \$314,914 (or 7.98%) primarily due to decreases in expenses related to personal services.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Commission's financial statements. The Commission's financial statements consist of three parts: (1) management's discussion and analysis (this section) (2) basic financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the Commission:

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

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

The governmental activity of the Commission is public safety which is comprised of various programs that include Group Home Units which serve as a long-term treatment program for abused and neglected youths and a Detention Unit which provides secure custody ordered by the courts for troubled youth.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission maintains one type of fund, governmental.

Governmental Funds

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

The Commission maintains one governmental fund. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 10 through 18 of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Notes to the Financial Statements**

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. As of June 30, 2023, assets exceeded liabilities and deferred inflows of resources by \$1,735,973. A large portion of the Commission's net position (61.26%) reflects its investment in capital assets (buildings, furniture, fixtures, and equipment). Consequently, these assets are not available for future spending.

Condensed Statements of Net Position

	June 30,		Dollar
	2023	2022	Change
Current and other assets	\$ 2,361,150	\$ 3,737,859	\$ (1,376,709)
Capital assets	1,063,434	1,156,388	(92,954)
Total assets	<u>3,424,584</u>	<u>4,894,247</u>	<u>(1,469,663)</u>
Current liabilities	155,619	184,501	(28,882)
Long-term liabilities	132,424	1,749,779	(1,617,355)
Deferred inflows of resources	1,400,568	1,218,294	182,274
Total liabilities and deferred inflows of resources	<u>1,688,611</u>	<u>3,152,574</u>	<u>(1,463,963)</u>
Net position:			
Net investment in capital assets	1,063,434	1,156,388	(92,954)
Unrestricted	672,539	585,285	87,254
Total net position	<u>\$ 1,735,973</u>	<u>\$ 1,741,673</u>	<u>\$ (5,700)</u>

Current and other assets and long-term liabilities decreased due to the Commission's repayment of the Revenue Anticipation Note, Series 2022 which was issued in the prior year to offset cash flows issues due to delay in receipt of ad valorem tax revenue after Hurricane Ida.

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

Governmental activities decreased the Commission's net position by \$5,700. Key elements of this decrease are as follows:

Condensed Changes in Net Position

	<u>June 30,</u>		<u>Dollar</u>	<u>Total</u>
	<u>2023</u>	<u>2022</u>	<u>Change</u>	<u>Percent</u>
				<u>Change</u>
Revenues:				
Ad valorem taxes	\$2,695,549	\$2,851,376	\$(155,827)	-5.46%
Intergovernmental	18,956	25,436	(6,480)	-25.48%
Charges for services	788,759	744,180	44,579	5.99%
Miscellaneous	121,814	231,229	(109,415)	-47.32%
Total revenues	<u>3,625,078</u>	<u>3,852,221</u>	<u>(227,143)</u>	-5.90%
Expenses:				
General government	237,495	181,800	55,695	30.64%
Public safety	3,393,283	3,763,892	(370,609)	-9.85%
Total expenses	<u>3,630,778</u>	<u>3,945,692</u>	<u>(314,914)</u>	-7.98%
Change in net position	(5,700)	(93,471)	87,771	-93.90%
Net position beginning of year	<u>1,741,673</u>	<u>1,835,144</u>	<u>(93,471)</u>	-5.09%
Net position end of year	<u>\$1,735,973</u>	<u>\$1,741,673</u>	<u>\$ (5,700)</u>	-0.33%

The decrease in total revenue was primarily due to a decrease in ad valorem taxes and grants received in the previous year for Hurricane Ida relief. The decrease in total expenses is primarily due to decreases in personal services due to employee terminations and resignations during the year.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Commission's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of June 30, 2023, the Commission's governmental fund reported ending fund balance of \$804,963 a decrease of \$1,543,182 in comparison to the prior year. The decrease was due to the retirement of the Revenue Anticipation Note.

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

The budget was amended once during the year. The primary reason for amending the budget was to reflect estimated revenues and expenses more accurately. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Increased tax revenues to reflect anticipated receipts.
- Decreased State of Louisiana revenues to reflect actual receipts.
- Increased miscellaneous revenues to reflect actual receipts.

Expenditures

- Decreased personal services to better reflect personal services expense.
- Increased operating services to reflect actual expense.
- Decreased supplies and materials to better reflect actual supplies and materials expense.

During the year, actual revenues and expenditures exceeded the budgetary estimates.

CAPITAL ASSETS**Capital Assets**

The Commission's investment in capital assets for its governmental activities, net of accumulated depreciation, as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 913,171	\$ 977,275
Furniture, fixtures, and equipment	<u>150,263</u>	<u>179,113</u>
Totals	<u>\$1,063,434</u>	<u>\$1,156,388</u>

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

- Building improvements, such as roofing and shingles, were made to the Pavilion, Main Area Walkway, Lockdown Walkway, and the Crafts Building.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Consideration of funding to be received from contracts and grants.
- The property tax revenue budgeted, materially consistent in accordance with the Commission's accounting policy, represents the estimated amount for the November 2023 assessment, which the Commission will receive, for the most part, in January 2024.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Estimate of operating supplies needed to perform necessary services.
- Services the Commission will provide along with estimated service cost.
- Detailed plan of equipment needed to be purchased.

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

REQUESTS FOR INFORMATION

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

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

June 30, 2023

Assets	
Cash	\$ 2,027,752
Receivables:	
Taxes	244,405
Due from other governmental units	88,993
Capital assets:	
Depreciable, net of accumulated depreciation	<u>1,063,434</u>
Total assets	<u>3,424,584</u>
Liabilities	
Accounts payable and accrued expenditures	155,619
Long-term obligations:	
Due after one year	<u>132,424</u>
Total liabilities	288,043
Deferred Inflows of Resources	<u>1,400,568</u>
Total liabilities and deferred inflows of resources	<u>1,688,611</u>
Net Position	
Net investment in capital assets	1,063,434
Unrestricted	<u>672,539</u>
Total net position	<u><u>\$ 1,735,973</u></u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Lafourche Parish Juvenile Justice Commission**
Thibodaux, Louisiana

For the year ended June 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues Charges for Services</u>	<u>Net (Expense) Revenue and Changes in Net Position Total Governmental Activities</u>
Governmental activities:			
Detention	\$ 470,206	\$ 16,167	\$ (454,039)
Residential homes	759,776	772,592	12,816
Ropes	8,680	-	(8,680)
Administrative	<u>2,392,116</u>	<u>-</u>	<u>(2,392,116)</u>
Total governmental activities	<u>\$ 3,630,778</u>	<u>\$ 788,759</u>	<u>(2,842,019)</u>
General revenues:			
Property taxes and state revenue sharing			2,714,505
Grants and contributions not restricted to specific program			30,374
Miscellaneous			<u>91,440</u>
Total general revenues			<u>2,836,319</u>
Change in net position			(5,700)
Net position:			
Beginning			<u>1,741,673</u>
Ending			<u>\$ 1,735,973</u>

See notes to financial statements.

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

June 30, 2023

Assets	
Cash	\$ 2,027,752
Receivables:	
Taxes	244,405
Due from other governmental units	<u>88,993</u>
Total assets	<u><u>\$ 2,361,150</u></u>
Liabilities	
Accounts payable and accrued expenditures	\$ 155,619
Deferred Inflows of Resources	<u>1,400,568</u>
Total liabilities and deferred inflows of resources	<u><u>1,556,187</u></u>
Fund Balance	
Assigned for subsequent year's expenditures	735,800
Unassigned	<u>69,163</u>
Total fund balance	<u><u>804,963</u></u>
Total liabilities and fund balance	<u><u>\$ 2,361,150</u></u>

See notes to financial statements.

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

Lafourche Parish Juvenile Justice Commission

Thibodaux, Louisiana

June 30, 2023

Fund Balance - Governmental Fund	\$ 804,963
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund.	
Governmental capital assets	\$ 4,429,099
Less accumulated depreciation	<u>(3,365,665)</u>
	1,063,434
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental fund.	
Compensated absences payable	<u>(132,424)</u>
Net Position of Governmental Activities	<u><u>\$ 1,735,973</u></u>

See notes to financial statements.

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

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

For the year ended June 30, 2023

	<u>General Fund</u>
Revenues	
Taxes	\$ 2,695,549
Intergovernmental:	
State of Louisiana	807,715
Federal Emergency Management Agency	30,374
Miscellaneous:	
Interest	17,228
Other	<u>74,212</u>
Total revenues	<u>3,625,078</u>
Expenditures/Expenses	
Current:	
General government:	
Ad valorem tax adjustment	155,426
Ad valorem tax deduction	<u>82,069</u>
Total general government	<u>237,495</u>
Public safety - special correctional facilities:	
Personal services	2,617,335
Operating services	444,470
Supplies and materials	218,873
Travel and other charges	<u>4,053</u>
Total public safety	<u>3,284,731</u>

**Exhibit E
(Continued)**

	<u>General Fund</u>
Expenditures/Expenses (Continued)	
Debt service:	
Principal retirement	1,575,000
Interest and fiscal charges	14,820
Capital outlay	<u>56,214</u>
Total expenditures	<u>5,168,260</u>
Net Change in Fund Balance	(1,543,182)
Fund Balance	
Beginning of year	<u>2,348,145</u>
End of year	<u><u>\$ 804,963</u></u>

See notes to financial statements.

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

Lafourche Parish Juvenile Justice Commission
Thibodaux, Louisiana

For the year ended June 30, 2023

Net Change in Fund Balance - Governmental Fund \$ (1,543,182)

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

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

Capital outlay	\$ 56,214	
Depreciation expense	<u>(149,168)</u>	<u>(92,954)</u>

The repayment of long-term debt consumes the current financial
resources to governmental funds. Transaction has no
effect on net position. Also, governmental funds report
the effect of premiums, discounts and similar items when
debt is first issued, whereas these amounts are deferred
and amortized in the Statement of Activities.

Principal payments		1,575,000
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Some expenses reported in the Statement of Activities
do not require the use of current financial resources
and, therefore, are not reported as expenditures in the
governmental fund.

Decrease in accrued interest payable	13,081	
Decrease in compensated absences payable		<u>42,355</u>

Change in Net Position of Governmental Activities \$ (5,700)

See notes to financial statements.

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

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

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes	\$ 2,000,000	\$ 2,700,000	\$ 2,695,549	\$ (4,451)
Intergovernmental:				
State of Louisiana	1,051,000	774,000	807,715	33,715
Federal Emergency Management Agency	-	-	30,374	30,374
Charges for services	2,500	-	-	-
Miscellaneous:				
Interest	7,000	12,000	17,228	5,228
Other	45,000	105,000	74,212	(30,788)
Total revenues	3,105,500	3,591,000	3,625,078	34,078
Expenditures				
Current:				
General government:				
Ad valorem tax adjustment	200,000	200,000	155,426	44,574
Ad valorem tax deduction	-	-	82,069	(82,069)
Total general government	200,000	200,000	237,495	(37,495)
Public safety - special correctional facilities:				
Personal services	2,845,000	2,433,000	2,617,335	(184,335)
Operating services	442,850	461,400	444,470	16,930
Supplies and materials	266,550	227,673	218,873	8,800
Travel and other charges	21,000	9,000	4,053	4,947
Total public safety	3,575,400	3,131,073	3,284,731	(153,658)
Debt service:				
Principal payment	-	1,575,000	1,575,000	-
Interest and fiscal charges	-	14,820	14,820	-
Capital outlay	63,500	66,480	56,214	10,266
Total expenditures	3,838,900	4,987,373	5,168,260	(180,887)

**Exhibit G
(Continued)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Deficiency of Revenues Over Expenditures	(733,400)	(1,396,373)	(1,543,182)	(146,809)
Fund Balance				
Beginning of year	<u>1,403,266</u>	<u>2,348,145</u>	<u>2,348,145</u>	<u>-</u>
End of year	<u>\$ 669,866</u>	<u>\$ 951,772</u>	<u>\$ 804,963</u>	<u>\$ (146,809)</u>

See notes to financial statements.

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

June 30, 2023

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

a) Reporting Entity

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

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

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Reporting Entity (Continued)

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

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

b) Basis of Presentation

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

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Commission. The government-wide presentation focuses primarily on the sustainability of the Commission as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues.

Fund Financial Statements:

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

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

Fund Financial Statements:

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

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government’s availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2022 property taxes which are being levied to finance expenditures for the 2023 calendar year will be recognized as revenue in the fiscal years ending June 30, 2023 and 2024. Accordingly, one half of the 2022 tax levy is recorded as deferred inflows of resources as of June 30, 2023. Intergovernmental revenues consist of per diem funding received on a per client/unit basis. These funds, along with charges for services, are recorded when earned since they are measurable and available. Miscellaneous revenues are recorded as revenues when received in cash by the Commission or an intermediary collecting agency because they are generally not measurable or available until actually received.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Measurement Focus and Basis of Accounting (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is vacation and sick leave which are recognized when paid. Allocations of cost such as depreciation are not recognized in the governmental funds.

d) Use of Estimates

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

e) Operating Budgetary Data

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners adopted a budget for the Commission's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures at the functional level must be approved by the Commission. The Commission amended its budget once during the year ended June 30, 2023. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

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

The General Fund budget is included in the financial statements.

f) Accounts Receivable

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

g) Capital Assets

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Capital Assets (Continued)

Government-Wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more and a useful life greater than one year are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

Fund Financial Statements:

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

h) Long-Term Obligations

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

Government-Wide Financial Statements:

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Long-Term Obligations (Continued)

Fund Financial Statements:

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

i) Vacation and Sick Leave

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

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

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

j) Deferred Inflows of Resources

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

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity

Government-Wide Financial Statements:

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

- a. Net investment in capital assets - Consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. As of June 30, 2023, the Commission had no outstanding borrowings that are attributable to capital assets.
- b. Restricted net position - Consists of assets less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed. As of June 30, 2023, the Commission did not have restricted resources.

Fund Financial Statements:

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

- a. Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to maintain intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the Commission's Board. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Commissioners.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Fund Equity (Continued)

- d. Assigned - amounts that do not meet the criteria to be classified as either restricted or committed but that are intended to be used for specific purposes. Assignments may be established, modified, or rescinded only through a majority vote of the Board of Commissioners.
- e. Unassigned - all other spendable amounts. This classification is the residual fund balance for the General Fund. It represents fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund.

For the classification of governmental fund balances, the Commission considers expenditures to be made from the most restrictive first when more than one classification is available. The Commission's fund balance was classified as assigned and unassigned as of June 30, 2023. Assigned fund balance as of June 30, 2023 is for 2023-2024 budgetary expenditures in excess of budgetary revenues.

l) New GASB Statements

During the year ended June 30, 2023, the Commission implemented the following GASB Statements:

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement did not affect the Commission's financial statements.

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1) New GASB Statements (Continued)

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement did not affect the Commission's financial statements

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

Statement No. 99, "*Omnibus 2022*" provides objectives to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial report for financial guarantees. The requirements of this Statement apply to all financial statements at dates varying from upon issuance to fiscal periods beginning after June 15, 2023. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 100, "*Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*" provides guidance to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 101, "*Compensated Absences*" provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management has yet to determine the effect of this Statement on the financial statements.

Note 2 - DEPOSITS

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

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

The year-end balances of deposits as of June 30, 2023 consisted of the following:

	<u>Bank Balances</u>	<u>Reported Amount</u>
Cash	<u>\$ 2,079,265</u>	<u>\$ 2,027,752</u>

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a written policy for custodial credit risk. As of June 30, 2023, \$1,307,141 of the Commission's bank balances of \$2,079,265 was exposed to custodial credit risk. These deposits were uninsured and collateralized with securities held by the pledging financial institution's trust department or agent and are deemed to be held in the Commission's name as allowed by State Statutes.

As of June 30, 2023, cash in excess of the FDIC insurance was adequately collateralized by securities held by unaffiliated banks for the account of the Commission. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - PROPERTY TAXES

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish of Lafourche. Assessed values are established by the Lafourche Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. Due to extensive damage caused by Hurricane Ida, the Lafourche Parish Assessor's Office performed a reevaluation in March 2022. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for 2022 was \$3.20 per \$1,000 of assessed valuation on property within Lafourche Parish for the purpose of maintaining and operating the facilities. As indicated in Note 1c, taxes levied in calendar year 2022 are used to fund expenditures in calendar year 2023, therefore one half of the 2022 tax levy was recognized as revenues in the fiscal year ended June 30, 2023 with the balance being recognized in the year ending June 30, 2024. The balance of the taxes levied which was not recognized is reported as deferred inflows of resources as of June 30, 2023.

Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units as of June 30, 2023 consisted of the following:

State of Louisiana	
Department of Social Services	<u>\$88,993</u>

Note 5 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions/ Adjustments	Balance June 30, 2023
Capital assets being depreciated:				
Buildings	\$ 3,641,738	\$ 50,480	\$ -	\$ 3,692,218
Furniture, fixtures, and equipment	731,147	5,734	-	736,881
Total capital assets being depreciated	4,372,885	56,214	-	4,429,099
Less accumulated depreciation for:				
Buildings	(2,664,463)	(114,584)	-	(2,779,047)
Furniture, fixtures, and equipment	(552,034)	(34,584)	-	(586,618)
Total accumulated depreciation	(3,216,497)	(149,168)	-	(3,365,665)
Total capital assets, net	\$ 1,156,388	\$ (92,954)	\$ -	\$ 1,063,434

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

Depreciation expense for the year ended June 30, 2023 was allocated to each program as follows:

Detention	\$ 24,978
Residential homes	20,433
Ropes	8,680
Administration	95,077
Total	\$ 149,168

Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2023 consisted of the following:

	General Fund
Salaries and benefits	\$ 74,324
Protest taxes	78,051
Vendors and others	3,244
Total	\$155,619

Note 7 - LONG-TERM OBLIGATIONS

The following is a summary of the changes in the long-term obligations of the Commission for the year ended June 30, 2023:

	Payable July 1, 2022	Increase/ Earned	Decrease/ Used	Payable June 30, 2023	Due Within One Year
Vacation leave	\$ 152,982	\$49,756	\$ 86,452	\$116,286	\$ -
Compensatory time	21,797	18,548	24,207	16,138	-
Revenue Anticipation Note, Series 2022	1,575,000	-	1,575,000	-	-
Totals	\$ 1,749,779	\$68,304	\$ 1,685,659	\$132,424	\$ -

On August 29, 2021, Hurricane Ida made landfall in Southeast Louisiana. As a result, there were significant damages across the region. In response to Hurricane Ida and delay in ad valorem tax receipts, the Commission issued a Revenue Anticipation Note, Series 2022 with a maturity date of September 30, 2022 to fund the Commission's anticipated working capital deficit during 2022. This note was issued on February 10, 2022. The principal amount of \$1,575,000 along with interest at 2.08% per annum was due September 30, 2022. The note was secured and payable from all revenues accruing to the Commission's General Fund. The Commission repaid the revenue anticipation note on July 12, 2022.

Note 8 - RISK MANAGEMENT

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

Note 9 - EMPLOYEE RETIREMENT PLAN

Employees are offered participation in the Louisiana Deferred Compensation Plan provided by the Commission to provide retirement benefits to the employee pursuant to Section 457 of the Internal Revenue Code. Participating employees may contribute an amount of their compensation not to exceed statutory limits. After six months of employment, the Commission will match dollar for dollar with holdings for full-time employee contributions as follows: not to exceed 6% of compensation for 1-10 years of continuous employment, not to exceed 8% of compensation for 11-15 years of continuous employment, not to exceed 10% of compensation for 16 or more years of continuous employment. During the year ended June 30, 2023, the Commission made contributions to the Louisiana Deferred Compensation Plan totaling \$67,833.

Note 10 - COMPENSATION OF BOARD MEMBERS

No compensation was paid to Board Members for the year ended June 30, 2023.

Note 11 - STATE OF LOUISIANA TAX ABATEMENTS

The Commission's ad valorem tax revenues for the year ended June 30, 2023 were reduced by \$110,732 under agreements entered into with the State of Louisiana.

Note 12 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through September 14, 2023, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION SECTION

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

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

For the year ended June 30, 2023

Agency Head Name:	Jarvis Shanklin 7/1/2022 - 6/5/2023	Dawn Campbell 6/6/2023 - 6/30/2023
Purpose		
Salary	\$ 76,096	\$ 4,541
Benefits - insurance	9,399	-
Benefits - retirement	5,077	406
Benefits - other	-	-
Car allowance	7,457	-
Vehicle provided by government	-	-
Per diem	-	-
Reimbursements	-	-
Travel	-	-
Registration fees	465	20
Conference travel	266	-
Continuing professional education fees	-	-
License renewal fee	78	-
Housing	-	-
Unvouchered expenses	-	-
Membership dues	730	-
Software subscriptions	-	-
Special meals	161	-
	<u>\$ 99,729</u>	<u>\$ 4,967</u>

Note: The Executive Director 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 Commissioners,
Lafourche Parish Juvenile Justice Commission,
Thibodaux, Louisiana.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the General Fund of Lafourche Parish Juvenile Justice Commission (the “Commission”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements, and have issued our report thereon dated September 14, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
September 14, 2023.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2022.

No significant deficiencies were reported during the audit for the year ended June 30, 2022.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2022.

Section II - Internal Control and Compliance Material to Federal Awards

The Commission did not expend more than \$750,000 in Federal awards during the year ended June 30, 2022, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2022.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Parish Juvenile Justice Commission Thibodaux, Louisiana

For the year ended June 30, 2023

Section I - Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ended June 30, 2023.

No significant deficiencies were reported during the audit for the year ended June 30, 2023.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ended June 30, 2023.

Section II - Internal Control and Compliance Material to Federal Awards

The Commission did not expend more than \$750,000 in Federal awards during the year ended June 30, 2023, and therefore, is exempt from the audit requirements under the *Uniform Guidance*.

Section III - Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2023.

STATEWIDE AGREED-UPON PROCEDURES

**INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures described in Schedule 2 on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor’s (LLA) Statewide Agreed-Upon Procedures (SAUP) for the fiscal period July 1, 2022 through June 30, 2023. Lafourche Parish Juvenile Justice Commission (the “Commission”) management is responsible for those C/C areas identified in the SAUPs.

The Commission has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA’s SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are described in Schedule 2.

We were engaged by the Commission to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, 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.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Bougeois Bennett, L.L.C.

Certified Public Accountants

Houma, Louisiana,
September 14, 2023.

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

Lafourche Parish Juvenile Justice Commission

For the year ended June 30, 2023

The required procedures and our findings are as follows:

1) Procedures Performed on the Commission's Written Policies and Procedures:

- A. Obtain and inspect the Commission's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the Commission's operations:
- i. 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.
 - ii. Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
Performance: Obtained and read the written policy for purchasing and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - iii. Disbursements, including processing, reviewing, and approving.
Performance: Obtained and read the written policy for disbursements and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - iv. Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of each type of revenue or Commission fund additions.
Performance: Obtained and read the written policy for receipts and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1) Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- v. Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
Performance: Obtained and read the written policy for payroll and personnel and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vi. Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
Performance: Obtained and read the purchasing handbook for contracting and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- vii. Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
Performance: Obtained and read the written policy for credit cards and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- viii. Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
Performance: Obtained and read the written policy for travel and expense reimbursement and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- ix. Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Commission's ethics policy.
Performance: Obtained and read the written policy for ethics and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
- x. Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Performance: Obtained and read the written policy for debt service and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

1) Procedures Performed on the Commission's Written Policies and Procedures: (Continued)

- xi. Information Technology 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 a critical event.

Performance: Obtained and read the written policy for information technology disaster recovery/business continuity and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

- xii. Prevention of Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Performance: Obtained and read the written policy for sexual harassment.

Exceptions: There were exceptions noted due to the policy lacking provisions for annual employee training and annual reporting.

2) Procedures Performed on the Commission's Board:

- A. Obtain and inspect 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:

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

Performance: Obtained and read the written minutes of the Board meetings. The Board met with a quorum for each meeting.

Exceptions: There were no exceptions noted.

- ii. For those entities reporting on the governmental accounting model, observe whether 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: Inspected meeting minutes to determine if the minutes included references to budget-to-actual comparisons for the General Fund.

Exceptions: There were no exceptions noted.

2) Procedures Performed on the Commission's Board: (Continued)

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Performance: Obtained the prior year's audit report and observed the unassigned fund balance in the General Fund. The General Fund did not have a negative ending unassigned fund balance.

Exceptions: There were no exceptions noted.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Performance: Obtained and read the written minutes of the Board meetings. There were no audit findings in the prior year.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Commission's Bank Reconciliations:

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

Performance: Obtained the listing of bank accounts from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- i. 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: Obtained monthly bank reconciliation for the month of June for the main operating bank account and 4 additional accounts. Inspected management's documentation for timely preparation of the bank reconciliations.

Exceptions: There were no exceptions noted.

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

Performance: Inspected the Commission's documentation for the June bank reconciliation for the 5 bank accounts selected.

Exceptions: There were no exceptions noted.

3) Procedures Performed on the Commission's Bank Reconciliations: (Continued)

- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement's closing date, if applicable.

Performance: Inspected documents for items outstanding for more than 12 months. We noted no checks outstanding for longer than 12 months from the statement closing date.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers):

- A. 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. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Performance: Obtained the listing of deposit sites from management and received management's representation in a separate letter. The Commission only has one deposit site.

Exceptions: There were no exceptions noted.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 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: Obtained the listing of collection locations from management and received management's representation in a separate letter. The Commission has one collection location.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals, inquired of client as to all of the requirements

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. 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: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- iv. 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: Inspected policy manuals, inquired of client as to all of the requirements.

Exceptions: There were no exceptions noted.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.

Performance: Obtained a copy of the insurance policy for theft and a listing of all employees covered by the policy. The policy was in force during the fiscal period.

Exceptions: There were no exceptions noted.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for procedures #3A under "Procedures Performed on the Commission's Bank Reconciliations" (select the next deposit date chronologically if no deposits were made on the dates selected and randomly select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the deposits selected and:

- i. Observe that receipts are sequentially pre-numbered.

Performance: Obtained supporting documentation for the selected deposits and observed that receipts were sequentially pre-numbered.

Exceptions: There were no exceptions noted.

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

Performance: Traced supporting documentation to the deposit slip.

Exceptions: There were no exceptions noted.

4) Procedures Performed on the Commission's Collections (Excluding Electronic Funds Transfers): (Continued)

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
Performance: Traced deposit slip total to actual deposit per bank statement.
Exceptions: There were no exceptions noted.
- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than ten miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Performance: Observed that the deposits tested were made within one business day of receipt.
Exceptions: There were no exceptions noted.
- v. Trace the actual deposit per the bank statement to the general ledger.
Performance: Traced the actual deposit per the bank statement to the general ledger.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases):

- A. Obtain a listing of locations that process payments for the fiscal period, and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
Performance: Obtained a listing of locations that process payments for the fiscal period from management and received management's representation in a separate letter. The Commission only has one location that processes payments.
Exceptions: There were no exceptions noted.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the Commission has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
Performance: Obtained a listing of employees involved in non-payroll purchasing and payment functions and reviewed written policies and procedures related to employee job duties. Observed if the job duties were properly segregated.
Exceptions: There were no exceptions noted.
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
Performance: Obtained a listing of employees involved in initiating a purchase request, approving a purchasing, and placing an order/making a purchase. Observed at least two employees are involved.
Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

ii. At least two employees are involved in processing and approving payments to vendors.
Performance: Obtained a listing of employees involved in processing and approving payments to vendors. Observed at least two employees are involved.
Exceptions: There were no exceptions noted.

iii. 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: Obtained a listing of employees involved in processing payments to vendors. Observed if any employees involved are adding/modifying vendor files.
Exceptions: The Accountant adds and modifies vendor files.

iv. 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: Obtained a listing of employees involved with signing and mailing checks.
Exceptions: The Accountant processes payments and mails checks.

v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other means.
Performance: Obtained a listing of employees authorized to sign checks. Observed the employee/official authorized to sign checks approves the electronic disbursement of funds.
Exceptions: There were no exceptions noted.

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

Performance: Obtained the Commission's non-payroll disbursement transaction population and management's representation that the population is complete. Randomly selected 5 disbursements.

Exceptions: There were no exceptions noted.

i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the Commission.

Performance: Observed the 5 disbursements matched the related original invoice/billing statements and observed supporting documentation indicating the deliverables were received.

Exceptions: There were no exceptions noted.

5) Procedures Performed on the Commission's Non-Payroll Disbursements (Excluding Card Purchases/Payments, Travel Reimbursements, and Petty Cash Purchases): (Continued)

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.

Performance: Observed the 5 disbursements included evidence of segregation of duties.

Exceptions: There were no exceptions noted.

- D. Using the Commission's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the Commission's policy, and (b) approved by the required number of authorized signers per the Commission's policy.

Performance: Observed that selected disbursements were approved by authorized persons and required number of signers.

Exceptions: There were no exceptions noted.

6) Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-Cards:

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

Performance: Obtained a listing of all active credit cards, bank debit cards, fuel cards, and P-cards from management and management's representation that the listing is complete.

Observed all active cards, including the card numbers and the names of the persons who maintain possession of the cards.

Exceptions: There were no exceptions noted.

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

- i. Observe whether 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: Observed evidence that the statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Exceptions: There were exceptions noted due to two monthly credit card statements not having evidence of approval.

6) Procedures Performed on the Commission's Credit Cards, Debit Cards, Fuel Cards, P-Cards: (Continued)

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

Performance: Observed finance charges and/or late fees were not assessed on the selected statements.

Exceptions: There was one exception noted due to a late fee charge being assessed on one monthly statement.

- C. Using the monthly statements or combined statements selected under procedure #6B, excluding fuel cards, select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

- i. An original itemized receipt that identifies precisely what was purchased.

Performance: Observed whether the transactions from the monthly statements were supported by original itemized receipts that identifies precisely what was purchased.

Exceptions: There were exceptions noted due to the lack of an original itemized receipt that identifies precisely what was purchased for two transactions.

- ii. Written documentation of the business/public purpose.

Performance: Observed whether the transactions from the monthly statements were supported with written documentation of the business/public purpose.

Exceptions: There were exceptions noted due to the lack of documentation for two transactions.

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

Performance: Inspected the transactions from the monthly statements, and they did not have any individuals participating in meals.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions):

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

Performance: Obtained the general ledger for travel and travel-related expense reimbursements and management's representation in a separate letter.

Exceptions: There were no exceptions noted.

7) Procedures Performed on the Commission's Travel and Travel-Related Expense Reimbursements (Excluding Card Transactions): (Continued)

- i. 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: Agreed reimbursement rate to those established by the U.S. General Services Administration.
Exceptions: There were no exceptions noted.
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
Performance: Inspected travel and travel-related expense reimbursements and none were reimbursements of actual costs.
Exceptions: There were no exceptions noted.
- iii. 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 #1A(vii)).
Performance: Observed whether each reimbursement was supported by documentation of the business/public purpose and other documentation required by written policy.
Exceptions: There were no exceptions noted.
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Performance: Observed whether each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.
Exceptions: There were exceptions noted due to reimbursements being approved by the person receiving the reimbursement.

8) Procedures Performed on the Commission's Contracts:

- A. 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, excluding the practitioner's contract and:
Performance: Obtained 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 and management's representation that the listing is complete.
Exceptions: There were no exceptions noted.

8) Procedures Performed on the Commission's Contracts: (Continued)

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Performance: Inspected supporting contract documentation and inquired of client about any contracts subject to Louisiana Public Bid Law. All 5 contracts selected were for services; the Louisiana Public Bid Law was not applicable.
Exceptions: There were no exceptions noted.
- ii. Observe that the contract was approved by the governing body/District Council, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
Performance: Inspected board meeting minutes and confirmed the board approved the contracts.
Exceptions: There were no exceptions noted.
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (i.e., if approval is required for any amendment, the documented approval).
Performance: Observed the contracts selected and noted no amendments.
Exceptions: There were no exceptions noted.
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.
Performance: Inspected payments for each of the 5 contracts, obtained supporting invoices, agreed invoices to the contract terms, and observed invoices and related payments agreed to terms and conditions of the contract.
Exceptions: There were no exceptions noted.

9) Procedures Performed on the Commission's Payroll and Personnel:

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Select 5 employees/officials, paid salaries, and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
Performance: Obtained the listing of employees and their related salaries from management and management's representations that the listing is complete.
Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A, obtain attendance records and leave documentation for the pay period, and:

i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Performance: Inspected time sheets for record of attendance and leave taken during the period.

Exceptions: There were no exceptions noted.

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

Performance: Inspected time sheets for the approval of attendance and leave by the supervisors for the selected employee/officials.

Exceptions: There were no exceptions noted.

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

Performance: Observed the leave records maintained by the Office Manager to ensure leave accrued and taken during the period was reflected in the records.

Exceptions: There were no exceptions noted.

iv. Observe that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Performance: Observed the authorized salary/pay rate maintained in the personnel files and agreed to the rate paid.

Exceptions: There were no exceptions noted.

C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the Commission's policy on termination payments. Agree the hours to the employees'/officials' cumulative leave records, agree the pay rates to the employees'/officials' authorized pay rates in the employees'/officials' personnel files, and agree the termination payment to the Commission's policy.

Performance: Obtained a listing of employees terminated during the fiscal period and management's representation that the list is complete. Agreed the hours to the employees' cumulative leave records, agreed the pay rates to the employees' authorized rates in the employees' personnel file and agreed the termination payment to the Commission's policy for the two employees selected.

Exceptions: There were no exceptions noted.

9) Procedures Performed on the District's Payroll and Personnel: (Continued)

D. 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: Obtained management's representation that employer's and employee's portion of 3rd party related amounts were paid and filed by the required deadlines

Exceptions: There were no exceptions noted.

10) Procedures Performed on the Commission's Ethics:

A. Using the 5 selected employees/officials from procedure #9 under "Procedures Performed on the Commission's Payroll and Personnel", obtain ethics compliance documentation from management and:

i. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period as required by R.S. 42:1170.

Performance: Inspected personnel files and ethics course completion certificates for the 5 employees tested.

Exceptions: There were no exceptions noted.

ii. Observe whether the Commission maintains documentation which demonstrates each employee and official were notified of any changes to the Commission's ethics policy during the fiscal period, as applicable.

Performance: Observed the change to the ethics policy and inquired of management if employees were notified of changes.

Exceptions: There were no exceptions noted.

B. Inquire and/or observe whether the Commission has appointed an ethics designee as required by R.S. 42:1170.

Performance: Inquired as to whether the Commission appointed an ethics designee.

Exceptions. There were no exceptions noted.

11) Procedures Performed on the Commission's Debt Service:

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Performance: Inquired of management regarding a listing of bonds/notes issued during the fiscal period and obtained management's representation in a separate letter. The Commission did not issue any new debt during the fiscal period.

Exceptions: There were no exceptions noted.

11) Procedures Performed on the Commission's Debt Service: (Continued)

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

Performance: Obtained a listing of bonds/notes outstanding at the end of the fiscal period and management's representation in a separate letter. There were no bonds /notes outstanding at the end of the fiscal period.

Exceptions: There were no exceptions noted.

12) Procedures Performed on the Commission's Fraud Notice:

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the Commission reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the Commission is domiciled as required by R.S. 24:523.

Performance: Inquired of management of any misappropriations of public funds and assets during the fiscal period and management's representation in a separate letter; none were noted.

Exceptions: There were no exceptions noted.

- B. Observe the Commission 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 fraud notice posted on the premises and website concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions: There were no exceptions noted.

13) Procedures Performed on the Commission's Information Technology Disaster Recovery/ Business Continuity:

- A. Perform the following procedures, verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."

- i. Obtain and inspect the Commission's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personal responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the Commission's local server or network, and (c) was encrypted.

Performance: We performed the procedure and discussed the results with management.

**13) Procedures Performed on the Commission's Information Technology Disaster Recovery/
Business Continuity: (Continued)**

- ii. Obtain and inspect the Commission's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Performance: We performed the procedure and discussed the results with management.

- iii. Obtain a listing of the Commission's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Performance: We performed the procedure and discussed the results with management.

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using a list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Performance: We performed the procedure and discussed the results with management.

14) Procedures Performed on the Commission's Prevention of Sexual Harassment:

- A. Using the 5 randomly selected employees/officials from "Procedures Performed on the Commission's Payroll and Personnel" #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Performance: Examined sexual harassment training documentation for the 5 employees tested.

Exceptions: There were no exceptions noted.

- B. Observe the Commission has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the Commission's premises if the Commission does not have a website).

Performance: Inquired and observed of management regarding the sexual harassment policy and complaint procedure on its website or on the entity's premises.

Exceptions: There were no exceptions noted.

14) Procedures Performed on the Commission's Prevention of Sexual Harassment: (Continued)

C. Obtain the Commission's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

Performance: Obtained the Commission's annual sexual harassment report.

Exceptions: There were no exceptions noted.

i. Number and percentage of public servants in the agency who have completed the training requirements.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

ii. Number of sexual harassment complaints received by the agency.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iii. Number of complaints which resulted in a finding that sexual harassment occurred.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

v. Amount of time it took to resolve each complaint.

Performance: Obtained the annual sexual harassment report to observe it contained the above requirement.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1)A(xii) Management will add the required provisions to the existing sexual harassment policy.

5)B(iii) Management will have the office manager or executive director review the vendor listing quarterly.

5)B(iv) Management will have the data processor, who does not sign checks or process payments, prepare checks for mailing and mail checks.

6)B(i) Management will ensure all documentation contains evidence of approval.

Management's Overall Response to Exceptions: (Continued)

- 6)B(ii) Management will ensure that all credit card payments are made on time to avoid late fees.
- 6)C(i) Management will ensure that documentation is maintained for all purchases using a credit card.
- 6)C(ii) Management will ensure that documentation of public purpose is maintained for all purchases using a credit card.
- 7)A(iv) Management will ensure that travel reimbursements are approved by an individual who did not receive the reimbursement.