

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Financial Report
For the Year Ended June 30, 2024



WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-3
Required Supplementary Information: Management's Discussion and Analysis (Unaudited)	4-6

FINANCIAL STATEMENTS

Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	7
Statement of Activities	8
Fund Financial Statements:	
Balance Sheet	9
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balances	11
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	12
Notes to the Financial Statements	13-23

OTHER SUPPLEMENTARY INFORMATION

Schedule of Compensation, Benefits, and Other Payments to Agency Head	24
Combined Schedule of Expenses, Object Basis - Special Revenue Funds	25
Combined Schedule of Revenues, Expenses, and Changes in Fund Balances, by Parish, by Cost Category	26
Schedule of Expenditures of Federal Awards	27
Notes to the Schedule of Expenditures of Federal Awards	28

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	<u>Page</u>
<u>OTHER REPORTS</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	29-30
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by The Uniform Guidance	31-33
Schedule of Findings and Questioned Costs	34
Status of Prior Year Findings	35
Management's Corrective Action Plan	36

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (318) 323-1717
Fax (318) 322-5121

INDEPENDENT AUDITORS' REPORT

To the Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Workforce Development Board SDA-83, Inc. (the Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Board's 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 each major fund of the Board as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatements, 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 Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of 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 Board'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 Board'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 the Management's Discussion and Analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The accompanying Schedule of Compensation, Benefits, and Other Payments to Agency Head; Combined Schedule of Expenses, Object Basis - Special Revenue Funds; Combined Schedule of Revenues, Expenses, and Changes in Fund Balances, by Parish, by Cost Category; and Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purposes of additional analysis and are 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 information used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Compensation, Benefits, and Other Payments to Agency Head; Combined Schedule of Expenses, Object Basis - Special Revenue Funds; Combined Schedule of Revenues, Expenses, and Changes in Fund Balances, by Parish, by Cost Category; and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.

West Monroe, Louisiana
November 21, 2024

Cameron Hines & Company (APAC)

REQUIRED SUPPLEMENTARY INFORMATION

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024

Our discussion and analysis of the financial performance of Workforce Development Board SDA-83, Inc. provides an overview of the Board's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Board's financial statements, which begin on Page 7.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 7 and 8) provide information about the activities of the Board as a whole. Fund financial statements start on page 9. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Board's operations in more detail than the government-wide statements by providing information about the Board's most significant funds. The accompanying financial statements present information on the funds maintained by the Board.

Reporting the Funds Maintained by the Board as a Whole

The Statement of Net Position and the Statement of Activities

These two statements report the Board's net position and changes in them. The Board's net position - the difference between assets and liabilities and deferred inflow of resources - is one way to measure the Board's financial health, or financial position. Over time, increases or decreases in the Board's net position are one indicator of whether its financial health is improving or deteriorating.

In the Statement of Net Position and the Statement of Activities, we record the activities in the funds maintained by the Board as governmental activities. These governmental activities consist mainly of expenses related to, and resources provided for, workforce development of youth and adults under the Federal Workforce Innovations and Opportunity Act.

Reporting the Most Significant Funds Maintained by the Board

The fund financial statements provide detailed information about the most significant funds maintained by the Board - not necessarily the Board as a whole. The Board's funds use the following accounting approaches.

Governmental funds - All of the Board's expenses in workforce development are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual basis. The governmental fund statements provide a detailed short-term view of the Board's operations and the expenses paid from the fund. Governmental fund information can help you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain Board expenses.

THE FUNDS MAINTAINED BY THE BOARD AS A WHOLE

The Board's total net position changed from a year ago, decreasing from \$24,612 to (\$30,638). This decrease amounted to \$55,250, the majority of which is attributable to the expenditure of unrestricted grant revenue recognized in the prior year.

Prior period adjustments were required to correct errors in reporting in the prior fiscal year. See Note 16 in the Notes to the Financial Statements for further explanation.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024

The summaries of net positions for the current and prior years are shown below.

Table 1
Net Position

	<u>Government-Wide Activities</u>	
	<u>2024</u>	<u>2023 (restated)</u>
Current assets	\$ 203,167	\$ 341,368
Capital Assets, net	11,774	25,877
Right of Use Assets, net	<u>103,131</u>	<u>135,284</u>
Total Assets	318,072	502,529
Current Liabilities	91,478	175,849
PHOCAS Compensated Absences	-	25,066
Accrued Compensated Absences	104,252	76,372
Interest Payable	-	30
Lease Liability - Short Term	47,605	49,112
Lease Liability - Long Term	<u>66,023</u>	<u>97,107</u>
Total liabilities	309,358	423,536
Deferred Inflow of Resources	<u>39,352</u>	<u>54,381</u>
Net Position:		
Net Investment in Capital Assets	11,774	25,877
Unrestricted	<u>(42,412)</u>	<u>(1,265)</u>
Total Net Position	<u>\$ (30,638)</u>	<u>\$ 24,612</u>

Table 2
Changes in Net Position

	<u>Government-Wide Activities</u>	
	<u>2024</u>	<u>2023</u>
Revenues		
Federal Grants	\$ 2,502,989	\$ 2,217,477
Other Revenue	<u>17,927</u>	<u>195,309</u>
Expenses		
General Government – Workforce Development	<u>2,576,166</u>	<u>2,371,901</u>
Increase (Decrease) in Net Position	<u>\$ (55,250)</u>	<u>\$ 40,885</u>

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024

Substantially all revenues of the Board are from Federal cost-reimbursement grants, which fund the workforce development programs administered by the Board. Therefore, the amount of revenues generated depends upon the amount of program costs (excluding depreciation but including the cost of capital assets acquired and lease payments) incurred during the year. Such revenues increased during the year by \$285,512, from \$2,217,477 in 2023 to \$2,502,989 in 2024. This increase was primarily the result of the introduction of new federal programs in the prior fiscal year.

CAPITAL ASSETS

At the end of 2024, the Board had invested \$11,774 in capital assets from those funds maintained by the Board.

The Board's lease right of use asset investment also assists in carrying out the mandated functions of the Office. This investment, net of allowance for amortization, as of June 30, 2024, was \$103,131. This investment is for office space.

Table 3
Capital Assets at Year End

	Government-Wide Activities	
	2024	2023
Furniture, Equipment, and Vehicles	\$ 784,461	\$ 784,461
Less: Accumulated Depreciation	772,687	758,584
	\$ 11,774	\$ 25,877
Major Additions Included:		
Equipment	\$ -	\$ 2,153

FUTURE OPERATIONS

The Board expects to continue administering Workforce Innovations and Opportunity Act grants during fiscal year 2025.

CONTACTING THE BOARD'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the finances for those funds maintained by the Board and to show the Board's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Workforce Development Board SDA-83, Inc. at 1504 Stubbs Avenue, Monroe, Louisiana 71201.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
STATEMENT OF NET POSITION
JUNE 30, 2024

ASSETS

Cash and Cash Equivalents	\$ 93,424
Grants Receivable	109,704
Other Receivables	39
Capital Assets, net	11,774
Right of Use Assets, net	<u>103,131</u>
Total Assets	318,072

LIABILITIES

Accrued Salaries and Expenses	91,478
Accrued Compensated Absences	104,252
Lease Liability - Current	47,605
Lease Liability - Long-term	<u>66,023</u>
Total Liabilities	309,358

DEFERRED INFLOWS OF RESOURCES

39,352

NET POSITION

Net Investment in Capital Assets	11,774
Unrestricted	<u>(42,412)</u>
Total Net Position	<u><u>\$ (30,638)</u></u>

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
STATEMENT OF ACTIVITIES - GOVERNMENT ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Expenses	Program Revenues	Net (Expense) Revenue
FUNCTIONS/PROGRAMS			
Workforce Innovations and Opportunity Act			
WIOA - Adult	940,548	940,548	-
WIOA - Youth	589,067	589,067	-
WIOA - Dislocated Worker	247,515	247,515	-
Workforce Development for Rural Communities Grant	509,335	509,335	-
Health Profession Opportunity Grant Impact Fund	21,794	17,927	(3,867)
Other (Nonmajor)	251,428	216,524	(34,904)
	2,559,687	2,520,916	(38,771)
TOTAL GOVERNMENTAL ACTIVITIES			
 GENERAL EXPENSE			
Administrative			2,376
Depreciation			14,103
			16,479
TOTAL GENERAL EXPENSES			
			(55,250)
CHANGE IN NET POSITION			
NET POSITION - BEGINNING OF YEAR (restated)			24,612
NET POSITION - END OF YEAR			\$ (30,638)

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	Workforce Innovations and Opportunity Act - Adult	Workforce Innovations and Opportunity Act - Youth	Workforce Innovations and Opportunity Act - Dislocated Worker
ASSETS			
Cash and Cash Equivalents	\$ -	\$ -	\$ 8,761
Due from Grantor	54,368	21,817	-
Due from Other Funds	35,978	-	33,424
Other Accounts Receivable	39	-	-
	<u>90,385</u>	<u>21,817</u>	<u>42,185</u>
Total Assets	<u>\$ 90,385</u>	<u>\$ 21,817</u>	<u>\$ 42,185</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued Salaries Payable	6,198	7,963	1,625
Accrued Expenses	46,682	13,428	1,198
Due to Other Funds	37,505	426	10
	<u>90,385</u>	<u>21,817</u>	<u>2,833</u>
Total Liabilities	<u>90,385</u>	<u>21,817</u>	<u>2,833</u>
DEFERRED INFLOWS OF RESOURCES	-	-	39,352
FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 90,385</u>	<u>\$ 21,817</u>	<u>\$ 42,185</u>

Workforce Opportunities for Rural Communities Grant	Health Profession Opportunity Grant Impact Fund	Nonmajor Funds	Totals
\$ 12,326	\$ 62,573	\$ 9,764	\$ 93,424
2,058	-	31,461	109,704
-	-	-	69,402
-	-	-	39
<u>\$ 14,384</u>	<u>\$ 62,573</u>	<u>\$ 41,225</u>	<u>\$ 272,569</u>
-	-	-	\$ 15,786
14,384	-	-	75,692
-	-	31,461	69,402
<u>14,384</u>	<u>-</u>	<u>31,461</u>	<u>\$ 160,880</u>
-	-	-	39,352
-	62,573	9,764	72,337
<u>\$ 14,384</u>	<u>\$ 62,573</u>	<u>\$ 41,225</u>	<u>\$ 272,569</u>

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

Total Governmental Fund Balances	\$ 72,337
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Compensated Absences Payable	(104,252)
Capital lease assets net of lease liabilities used in governmental activities are not financial resources and, therefore, are not reported in the funds.	(10,497)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>11,774</u>
Net Position of Governmental Activities	<u><u>\$ (30,638)</u></u>

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Workforce Innovations and Opportunity Act - Adult	Workforce Innovations and Opportunity Act - Youth	Workforce Innovations and Opportunity Act - Dislocated Worker
REVENUES			
Federal Grants	\$ 940,548	\$ 589,067	\$ 247,515
Other Revenue	-	-	-
Total Revenues	940,548	589,067	247,515
EXPENDITURES			
Administration	52,232	49,155	46,002
Program Costs	888,316	539,912	201,513
Total Expenditures	940,548	589,067	247,515
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE - BEGINNING (restated)	-	-	-
FUND BALANCE - ENDING	\$ -	\$ -	\$ -

Workforce Opportunities for Rural Communities Grant	Health Profession Opportunity Grant Impact Fund	Nonmajor Funds	Totals
\$ 509,335	\$ -	\$ 216,524	\$ 2,502,989
-	17,927	-	17,927
509,335	17,927	216,524	2,520,916
89,097	21,794	59,488	317,768
420,238	-	191,940	2,241,919
509,335	21,794	251,428	2,559,687
-	(3,867)	(34,904)	(38,771)
-	66,440	44,668	111,108
\$ -	\$ 62,573	\$ 9,764	\$ 72,337

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Changes in Fund Balances - Governmental Funds \$ (38,771)

The change in Net Position reported for governmental activities in the statement of activities is different because:

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 funds.

Increase in Compensated Absences Payable (2,814)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense.

Capital Asset Purchases Capitalized -
 Depreciation Expense (14,103)

Governmental funds report lease payments as expenditures. However, in the statement of activities, the present value of the leased assets is capitalized as a Right of Use Asset and amortized over the lease term as lease amortization expense. This is the amount by which the amortization of the Right of Use Assets plus interest expense on the lease liabilities exceeds the lease payments.

438

Change in Net Position of Governmental Activities \$ (55,250)

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accompanying financial statements of the Workforce Development Board SDA-83, Inc. (A nonprofit organization reporting under Governmental Accounting Standards) (the Board) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The Workforce Development Board SDA-83, Inc., is a nonprofit organization that originally was formed on January 29, 1988, as Private Industry Council SDA-83, Inc., to administer the Job Training Partnership Act (JTPA) Program in Service Delivery Area (SDA) Eighty-Three, which is composed of the parishes of Caldwell, East Carroll, Franklin, Jackson, Madison, Richland, and Tensas. With the replacement of JTPA programs with the Workforce Investment Act, as mandated by federal law, Private Industry Council changed its name in 2000 to Workforce Investment Board SDA-83, Inc. The Workforce Innovations and Opportunity Act of 2014 was effective July 1, 2015, at which time Workforce Investment Board SDA-82 merged with Workforce Investment Board SDA-83 and added the following parishes: Morehouse, Union, and West Carroll. In 2015, the Board changed its name to Workforce Development Board SDA-83. The Workforce Development Board also administers a Workforce Opportunities for Rural Communities grant. Delivery Area 83 is comprised of two elements:

- Workforce Development Board (WDB) - which consists of 23 members representing a cross-section of the SDA population. Board members are appointed by the chief elected official from recommendations by the ten parish police juries which comprise SDA-83 and other interested organizations and serve without benefit of compensation. The WDB is responsible for providing program guidance. The WDB serves as its own administrative entity and as such is responsible for administering the program.
- Designated Chief Elected Official - this is a police jury president elected by his peers from the Eighty-Third Local Workforce Area. His responsibilities include appointment of Board members, providing guidance for program development, and monitoring the operations of the administrative entity.

Although organized as a nonprofit organization, the Board follows governmental reporting standards, as set by the Governmental Accounting Standards Board, because Board members are appointed by a member of local government.

The Union Parish Police Jury is the designated grant recipient for the SDA. As grant recipient, the Union Parish Police Jury (1) has accepted full responsibility for funds expended under the grant, (2) has assured the Louisiana Department of Labor that all funds provided will be expended according to limitations set forth in federal and state regulations, and the approved job training plan, and (3) will reimburse the Louisiana Department of Labor for any questioned costs which are ultimately disallowed by the United States Department of Labor.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

B. Basis of Presentation

The Board's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Board has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Board has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Board are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) adopted Statement No. 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments. Certain significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Board's overall financial position and results of operations.
- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Board's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

Basic Financial Statements – Government-Wide Statements

The Board's basic financial statements include both Government-Wide (GWFS) (reporting the Board as a whole) and fund financial statements (FFS) (reporting the Board's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Board's functions and programs have been classified as governmental activities. The Board does not have any business-type activities. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

The content and certain titles of the GWFS were changed upon the adoption by the Board in 2013 of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Board had no deferred outflows of resources at June 30, 2024.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

Accordingly, the statement of net position presents information on all of the Board's assets, liabilities, and deferred inflows, with the difference between the two 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 Board is improving or deteriorating.

In the Government-Wide Statement of Net Position, the governmental type activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Board's net position is reported in three parts - investment in capital assets, net of related debt; restricted; and unrestricted. Investment in capital assets, net of related debt consists of capital assets including restricted 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 capital assets. Restricted consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted includes all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt." The Board's policy is to use restricted resources first to finance its activities.

The GWFS reports both the gross and net cost of each of the Board's functions and significant programs. The Statement of Activities begins by presenting gross direct expenses, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. The net cost of all programs is then increased by depreciation expense. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Board did not receive any capital-specific grants this year.

The Board allocates its indirect costs among various functions and programs in accordance with the Uniform Guidance.

The Government-Wide Statements focus upon the Board's ability to sustain operations and the change in its net assets resulting from the current year's activities.

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Board are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

The Board uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Board or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

The assets, liabilities, and fund balances of the Board are reported in self-balancing special revenue fund groups as follows:

Major Special Revenue Funds

Workforce Innovations and Opportunity Act Youth

The Workforce Innovations and Opportunity Act Youth Fund accounts for funds used in the WIOA program. This program attempts to implement major reforms of the job training system to help increase employment, earnings, and retention of participants, and increase self-sufficiency in high-wage, high-demand careers. A key component of this program is the One-Stop service delivery system.

Workforce Innovations and Opportunity Act Adults and Dislocated Workers

This group of funds also accounts for funds used in the WIOA program. Programs included in these funds seek to improve employment, retention, and earnings of WIOA participants and increase their educational and occupational skill attainment and increase self-sufficiency in high-wage, high-demand careers.

Workforce Opportunities for Rural Communities Grant

This grant accounts for funds used in the Workforce Opportunities for Rural Communities Grant. This grant addresses the employment and training needs of the local and regional workforce by targeting historic inequities for marginalized communities and other underserved and underrepresented communities.

Health Profession Opportunity Grant Impact Fund

This group of funds accounts for resources used to provide direct training, education, and related activities to prepare low-income individuals for employment in the healthcare field. The grant program ended in the 2022 fiscal year, and all residual funds are available for use at the Board's discretion without restriction.

C. Basis of Accounting and Measurement Focus

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Accounting and Measurement Focus (continued)

Accrual Basis - Government-Wide Financial Statements (GWFS):

The Statement of Net Position and the Statement of Activities display information about the Board as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred.

D. Budgets

Revenue and expense of Workforce Development Board SDA-83, Inc., consists almost entirely of Federal grant funds. These funds are accounted for in various special revenue funds according to the program or the function of the grant. Such grants cover multiple fiscal years and are budgeted for on that basis. Consequently, no budgetary comparison schedules are presented in this report.

E. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

Furniture and equipment	3-7 years
Vehicles	5 years

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

E. Capital Assets (continued)

Right of Use assets are amortized on the straight-line method over the term of the related lease. Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. Depreciation and amortization is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposit accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Accrued Compensated Absences

Employees of the Workforce Development Board SDA-83, Inc., earn from 12 to 25 days of annual leave each year, depending on length of service. There is no limit to the amount of days of annual leave that may be accumulated. Employees who have been employed for more than six months will be paid for accumulated annual leave up to 50 days upon termination of employment.

Employees earn 12 days of sick leave each year. Unused sick leave may be accumulated to a maximum of 80 days. Employees are not paid for accumulated sick leave upon termination of employment.

At June 30, 2024, employees have accumulated and vested approximately \$104,252 in employee leave benefits. The cost of leave privileges is recognized as a current-year expense when the leave is earned.

H. Prepaid Expenses

Expenditures for insurance and other items that extend over more than one accounting period are expensed as incurred.

I. Interfund Activity

Loans between funds are reported as interfund receivables and payables and are subject to elimination upon consolidation.

J. Functional Allocation of Expenses

The Board reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are allocated to the various functions based primarily on relative personnel time.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

K. 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Note 2 - Cash and Cash Equivalents

Cash includes amounts in demand deposits and petty cash. At June 30, 2024, the Board had cash (book balances) as follows:

Demand deposits	\$ 93,224
Petty cash	<u>200</u>
Total	<u>\$ 93,424</u>

It is the policy of the Board to require that fiscal agent banks pledge securities to cover bank deposits in excess of federal deposit insurance. The pledged securities are the market value of investment debt securities held by a custodial bank in the name of the fiscal agent bank, rather than in the name of the Board. However, the fiscal agent bank receives authorization from the Board before pledged securities are released.

Note 3 - Due from Grantor

Due from grantor at June 30, 2024, in the amount of \$109,704, consists of reimbursements for expenses incurred mainly under the various Department of Labor and Department of Health and Human Services programs.

Note 4 - Deferred Compensation Plan

Workforce Development Board, SDA-83, Inc. offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. All employees of the Board are eligible to participate in the Master Deferred Compensation Plan for Planning and Economic Development Organizations. Employees may defer up to 6% of their gross salary until future years which the Board will match as an employer contribution. They may also elect to defer additional amounts, which will not be matched by the Board. Employer's contributions to the plan for the year ended June 30, 2024, totaled approximately \$36,861.

The Board does not administer the plan or maintain custody of plan assets. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Board (without being restricted to the provisions of benefits under the plan), not subject to the claims of the Board's general creditors.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 4 - Deferred Compensation Plan (continued)

Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. Deferred compensation amounts are administered and invested in debt mutual funds by a professional trustee. It is the Board's opinion that the Plan does not meet the requirements for inclusion as an employee benefit trust fund.

Note 5 - Leases

The Board leases its facilities space and certain equipment under agreements that have expiration dates on a monthly or an annual basis. Rent expense under all leases totaled approximately \$118,279 for the year ended June 30, 2024.

1. On June 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a three-year finance lease agreement for the Board's administrative office. In September 2023, the Board renewed the lease through September 30, 2026. In the current year, \$34,620 was paid in lease payments.
2. On July 1, 2017, the Workforce Development Board SDA-83, Inc. entered into a five-year finance lease agreement for the Board's Rayville office. In June 2022, the Board renewed the lease through June 30, 2027. In the current year, \$12,000 was paid in lease payments.
3. On January 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a three-year finance lease agreement for the Board's Tallulah office. In December 2023, the Board renewed the lease through December 31, 2026. In the current year, \$7,200 was paid in lease payments.
4. On July 1, 2021, the Workforce Development Board SDA-83, Inc. entered into a three-year finance lease agreement for the Board's Jonesboro office. In June 2024, the Board renewed the lease through June 30, 2026. In the current year, \$7,200 was paid in lease payments.
5. The Board also has equipment and office space under month-to-month terms.

Future minimum lease payments are as follows:

Year Ended		
<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	47,605	6,215
2026	50,920	2,900
2027	<u>15,103</u>	<u>497</u>
Total	<u>\$113,628</u>	<u>\$ 9,612</u>

Note 6 - Third Party Reimbursements

The Board receives substantially all of its funding from third party reimbursements under contracts with the Louisiana Department of Labor and the U.S. Departments of Labor and Health and Human Services for services provided as described in Note 1. In order to receive funding, the Board must comply with contract provisions.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 7 - Income Tax Status

As a nonprofit organization, Workforce Development Board SDA-83, Inc. is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code but is subject to annual filing requirements with the Internal Revenue Service that includes information on its financial operations. The Board is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Board must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Board does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Board's accounting records.

Workforce Development Board SDA-83, Inc. is subject to the filing requirements of U.S. federal Form 990 and remains subject to examination by the Internal Revenue Service for the tax fiscal years 2020 and beyond.

Note 8 - Fair Values of Financial Instruments

The Board's financial instruments consist of cash, receivables, and current payables. Because such instruments are generally short-term in nature, their market values approximate their book values.

Note 9 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Board's insurance coverage.

Note 10 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation is paid to any member. However, board members are reimbursed for any necessary out-of-town travel expenses incurred.

Note 11 - Federally Assisted Programs

Substantially all of the Board's programs are federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended in 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Board's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act, as amended in 1996, and *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 12 - Economic Dependence

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

Note 13 - Changes in Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>6/30/2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2024</u>
General Fixed Assets, at Cost:				
Furniture and Equipment	\$ 754,328	\$ -	\$ -	\$ 754,328
Vehicles	30,133	-	-	30,133
	<u>784,461</u>	<u>-</u>	<u>-</u>	<u>784,461</u>
Accumulated Depreciation	758,584	14,103	-	772,687
	<u>25,877</u>	<u>(14,103)</u>	<u>-</u>	<u>11,774</u>
Right of Use Assets	238,924	19,614	16,614	241,924
Accumulated Amortization	103,640	51,767	16,614	138,793
	<u>135,284</u>	<u>(32,153)</u>	<u>-</u>	<u>103,131</u>
Net Capital Assets	<u>\$ 161,161</u>	<u>\$ (46,256)</u>	<u>\$ -</u>	<u>\$ 114,905</u>

Depreciation expense for the year ended June 30, 2024, totaled \$14,103. Amortization expense for the year ended June 30, 2024, totaled \$51,767.

Note 14 - Changes in Compensated Absences

The following is a summary of transactions relating to the Board's accrued compensated absences during the year:

	<u>Balance</u> <u>6/30/2023</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>6/30/2024</u>
Accrued Compensated Absences	<u>\$ 101,438</u>	<u>\$ 2,814</u>	<u>\$ -</u>	<u>\$ 104,252</u>

Note 15 - Subsequent Events

The Board has evaluated events and transactions that may warrant disclosure subsequent to fiscal year end through November 21, 2024, the date which the financial statements were available to be issued and noted no subsequent events requiring disclosure.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

Note 16 - Prior Period Adjustments

Prior period adjustments were required to correct errors in reporting in the prior fiscal year. Grant activity previously reported as deferred inflows of resources should have been recorded as grant revenue without restrictions. Also, an adjustment was needed to correct the treatment of grants receivable in the prior year's Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.

Net Position as previously stated June 30, 2023	\$ 59,640
Net change of Net Position due to release of restrictions on grant funds	66,440
Net change of Net Position to adjust 2023 to conform to 2024 presentation	(101,468)
Net Position as restated June 30, 2023	<u>\$ 24,612</u>
Fund Balance as previously stated June 30, 2023	\$ 44,668
Net change of Fund Balances due to release of restrictions on grant funds	66,440
Net Position as restated June 30, 2023	<u>\$ 111,108</u>

OTHER SUPPLEMENTARY INFORMATION

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2024

Agency Head	Terri Mitchell
Salary	\$ 97,394
Benefits - Retirement	5,844
Benefits - Insurance	9,766
Travel Allowance	962
	\$ 113,966

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
COMBINED SCHEDULE OF EXPENSES, OBJECT BASIS
FUND BALANCES - SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	Workforce Innovations and Opportunity Act - Adult	Workforce Innovations and Opportunity Act - Youth	Workforce Innovations and Opportunity Act - Dislocated Worker	Workforce Opportunities for Rural Communities Grant	Health Profession Opportunity Grant Impact Fund	Nonmajor Funds	Totals
EXPENSES							
Accounting and Auditing Fees	\$ 8,836	\$ 1,477	\$ 24,518	\$ 6,240	\$ 13,380	\$ 9,149	\$ 63,600
Bank Service Charges	272	192	93	128	-	13	698
Board Meetings and Travel	984	1,122	354	1,291	-	941	4,692
Building and Equipment Maintenance	1,807	1,656	868	84	5,414	185	10,014
Business Services	237	307	611	-	-	-	1,155
Conference Registration	58	51	288	28	-	19	444
Consulting Fees	2,715	2,869	1,162	-	-	157	6,903
Contract Services	-	-	-	-	-	25,000	25,000
Equipment Rental	499	421	268	-	-	13	1,201
Building Rental and Lease	48,718	39,421	17,689	9,348	-	3,103	118,279
Janitorial	5,356	4,598	1,466	1,020	-	580	13,020
Liability Insurance	12,019	13,599	2,240	807	-	664	29,329
Needs-based Payments - Supportive Services	154,982	19,540	2,542	26,640	-	37,486	241,190
Office Supplies	15,848	14,427	3,946	4,487	288	2,785	41,781
On-the-job Training Wages	63,718	34,106	11,200	9,150	-	62,156	180,330
One-Stop Operator	16,973	11,191	5,436	-	-	-	33,600
Outreach	184	-	-	40	-	16	240
Other Operating Expenses	-	-	-	-	-	-	-
Participant Incentive	1,193	20,324	-	-	-	-	21,517
Payroll and Related	375,610	272,364	135,642	200,341	244	98,705	1,082,906
Per diem - Staff Travel	13,061	10,143	4,607	11,638	-	4,118	43,567
Postage and Delivery	892	660	312	278	-	214	2,356
Printing	592	254	542	-	-	477	1,865
Professional Membership and Dues	792	827	338	118	-	-	2,075
Publications and Subscriptions	-	-	-	90	-	-	90
Purchases of Equipment	-	-	-	-	-	-	-
Recruitment Supplies	-	-	-	-	-	-	-
Software	1,333	1,333	1,333	-	2,468	-	6,467
Staff Development	-	-	-	-	-	-	-
Tuition and Registration	173,163	33,106	21,980	232,990	-	-	461,239
Utilities	35,795	29,798	10,080	4,617	-	3,060	83,350
Work Experience	4,911	75,281	-	-	-	2,587	82,779
Total Expenses	\$ 940,548	\$ 589,067	\$ 247,515	\$ 509,335	\$ 21,794	\$ 251,428	\$ 2,559,687

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
MONROE, LOUISIANA
COMBINED SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES
BY PARISH, BY COST CATEGORY
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Caldwell</u>	<u>East Carroll</u>	<u>Franklin</u>	<u>Jackson</u>	<u>Madison</u>
REVENUES					
Federal Grants	97,458	65,899	304,917	194,129	126,187
Other Revenue	-	-	-	-	-
Total Revenues	97,458	65,899	304,917	194,129	126,187
EXPENDITURES					
Administration	-	-	-	-	-
Program Costs	97,458	65,899	304,917	194,129	126,187
Total Expenditures	97,458	65,899	304,917	194,129	126,187
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-
FUND BALANCE - BEGINNING (restated)	-	-	-	-	-
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Morehouse</u>	<u>Richland</u>	<u>Tensas</u>	<u>Union</u>	<u>West Carroll</u>	<u>Unallocated</u>	<u>Total</u>
203,440	277,647	24,961	194,352	82,940	\$ 931,059	\$2,502,989
-	-	-	-	-	17,927	17,927
<u>203,440</u>	<u>277,647</u>	<u>24,961</u>	<u>194,352</u>	<u>82,940</u>	<u>948,986</u>	<u>\$2,520,916</u>
-	-	-	-	-	317,768	317,768
<u>203,440</u>	<u>277,647</u>	<u>24,961</u>	<u>194,352</u>	<u>82,940</u>	<u>669,989</u>	<u>2,241,919</u>
203,440	277,647	24,961	194,352	82,940	987,757	2,559,687
-	-	-	-	-	(38,771)	(38,771)
-	-	-	-	-	111,108	111,108
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,337</u>	<u>\$ 72,337</u>

The accompanying notes are an integral part of this financial statement.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Federal AL Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Labor</u>			
Through Louisiana Department of Labor			
WIOA Cluster:			
WIOA Adult Program	17.258	-	\$ 940,548
WIOA Youth Activities	17.259	-	589,067
WIOA Dislocated Worker Formula Grants	17.278	-	<u>247,515</u>
Total WIOA Cluster			1,777,130 *
Through Delta Regional Authority			
WIOA Dislocated Worker National Reserve Demonstration Grants	17.280	-	509,335
<u>Delta Regional Authority</u>			
States' Economic Development Assistance Program (SEDAP)	90.200	-	<u>216,524</u>
Total Federal Expenditures			<u><u>\$ 2,502,989</u></u>

*Indicates Major Federal Program.

See Notes to Schedule of Expenditures of Federal Awards.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of The Workforce Development Board SDA-83, Inc. All federal award programs received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

3. Federal Indirect Cost Rate

The Workforce Development Board SDA-83, Inc., did not elect to use the 10% de minimis federal indirect cost rate for the year ended June 30, 2024.

OTHER REPORTS

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

To the Workforce Development Board SDA-83, Inc.
Monroe, 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, each major fund, and the aggregate remaining fund information of the Workforce Development Board SDA-83, Inc., (the Board), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in 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.

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board'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.

West Monroe, Louisiana
November 21, 2024

Cameron Hines & Company (APAC)

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Workforce Development Board SDA-83, Inc.'s (the Board) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Board's major federal programs are identified in the Summary of Auditors' Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance sections of our report.

We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Board's federal programs.

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Board's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Board's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Cameron Hines & Company (APAC)

West Monroe, Louisiana
November 21, 2024

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

We have audited the financial statements of the Workforce Development Board SDA-83, Inc., as of and for the year ended June 30, 2024, and have issued our report thereon dated November 21, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2024, resulted in an unmodified opinion.

Section I- Summary of Auditors' Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Type of Opinion on Compliance For Major Programs

Unmodified X Modified _____

Disclaimer _____ Adverse _____

Are there findings required to be reported in accordance with the Uniform Guidance? No

C. Identification of Major Programs:

Name of Federal Program (or cluster): Employment Services Cluster

A.L. Number(s): 17.258, 17.259, 17.278

Dollar threshold used to distinguish between Type A and Type B Programs:
 \$750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? Yes

Section II- Financial Statement Findings – No matters were reported.

Section III- Federal Award Findings and Questioned Costs – No matters were reported.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

Internal Control and Compliance Material to the Financial Statements

No prior year findings.

Internal Control and Compliance Material to Federal Awards

No prior year findings.

Management Letter

No management letter was issued.

WORKFORCE DEVELOPMENT BOARD SDA-83, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024

There were no findings for the year ended June 30, 2024.

Workforce Development Board SDA-83, Inc.
Monroe, Louisiana

*Independent Accountants' Report on
Applying Agreed-Upon Procedures*

For the Year Ended June 30, 2024



CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:
P. O. Box 2474
West Monroe, LA 71294-2474

Phone (318) 323-1717
Fax (318) 322-5121

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Workforce Development Board SDA-83, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2023, through June 30, 2024. The Workforce Development Board SDA-83, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The Workforce Development Board SDA-83, Inc. (the Board) 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 LLA's SAUPs for the fiscal period July 1, 2023, through June 30, 2024. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. 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 are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:¹
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - 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.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
 - iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the

¹ For governmental organizations, the practitioner may eliminate those categories and subcategories not applicable to the organization's operations. For quasi-public organizations, including nonprofits, the practitioner may eliminate those categories and subcategories not applicable to public funds administered by the quasi-public.

completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- 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 rates of pay or approval and maintenance of pay rate schedules.
- 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.
- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. ***Credit Cards (and debit cards, fuel cards, purchase 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).
- ix. ***Ethics***², including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- 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.
- 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.

Findings: No exceptions noted.

2) Board or Finance Committee³

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

² The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the nonprofit should have written policies and procedures relating to ethics.

³ These procedures are not applicable to entities managed by a single elected official, such as a sheriff or assessor.

- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
- 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, quarterly budget-to-actual, at a minimum, on proprietary funds⁴, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds⁵ if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
- 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 unassigned fund balance in the general fund.
- 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.⁶

Findings: No exceptions noted.

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (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:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

⁴Proprietary fund types are defined under GASB standards and include enterprise and internal service funds. The related procedure addresses these funds as a way to verify that boards are provided with financial information necessary to make informed decisions about entity operations, including proprietary operations that are not required to be budgeted under the Local Government Budget Act.

⁵ R.S. 24:513 (A)(1)(b)(iv) defines public funds.

⁶ No exception is necessary if management's opinion is that the cost of taking corrective action for findings related to improper segregation of duties or inadequate design of controls over the preparation of the financial statements being audited exceeds the benefits of correcting those findings.

⁷ Accounts selected may exclude savings and investment accounts that are not part of the entity's daily business operations.

Findings: No exceptions noted.

4) Collections (excluding electronic funds transfers)⁸

- A. Obtain a listing of deposit sites⁹ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations¹⁰ and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then 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
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also 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; and
 - 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, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- 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.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.¹¹
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

⁸ The Collections category is not required to be performed if the entity has a third-party contractor performing all collection functions (e.g., receiving collections, preparing deposits, and making deposits).

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

¹⁰ A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit. For example, in a school district a collection location may be a classroom and a deposit site may be the school office. For school boards only, the practitioner should consider the deposit site and collection location to be the same if there is a central person (secretary or bookkeeper) through which collections are deposited.

¹¹ The practitioner is not required to test for completeness of revenues relative to classroom collections by teachers.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.
- iv. Observe that the deposit was made within one business day of receipt¹² at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- v. Trace the actual deposit per the bank statement to the general ledger.

Findings: No exceptions noted.

5) *Non-Payroll Disbursements (excluding card purchases, 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).
- 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 agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - 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; and
 - 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 electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and

¹² As required by Louisiana Revised Statute 39:1212.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
- D. Using the entity’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 entity’s policy, and (b) approved by the required number of authorized signers per the entity’s policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings: No exceptions noted.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹³. Obtain management’s representation that the listing is complete.
- 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. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
 - 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) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection)¹⁴. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

¹³ Including cards used by school staff for either school operations or student activity fund operations.

¹⁴ For example, if 3 of the 5 cards selected were fuel cards, transactions would only be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #7B were fuel cards, procedure #7C would not be applicable.

Findings: No exceptions noted.

7) *Travel and Travel-Related Expense Reimbursements*¹⁵ (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 and 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
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - 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 Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings: No exceptions noted.

8) *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. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law¹⁶ (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - 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 (e.g., if approval is required for any amendment, the documented approval); and

¹⁵ Non-travel reimbursements are not required to be inspected under this category.

¹⁶ If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

- 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.

Findings: No exceptions noted.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials¹⁷ employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials¹⁸ documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings: No exceptions noted.

¹⁷ "Officials" would include those elected, as well as board members who are appointed.

¹⁸ Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

10) *Ethics*¹⁹

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Findings: No exceptions noted.

11) *Debt Service*²⁰

- 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.
- 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 (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Findings: This procedure is not applicable to this entity.

12) *Fraud Notice*²¹

- 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 entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

¹⁹ The Louisiana Code of Governmental Ethics (Ethics Code) is generally not applicable to nonprofit entities but may be applicable in certain situations, such as councils on aging. If the Ethics Code is applicable to a nonprofit, the procedures should be performed.

²⁰ This AUP category is generally not applicable to nonprofit entities. However, if applicable, the procedures should be performed.

²¹ Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs and the notice is available for download at www.la.gov/hotline

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

Findings: No exceptions noted.

13) 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 entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity’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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267²². The requirements are as follows:
- i. Hired before June 9, 2020 - completed the training; and
 - ii. Hired on or after June 9, 2020 - completed the training within 30 days of initial service or employment.

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

²² While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

14) *Prevention of Sexual Harassment*²³

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that 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.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
 - i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Findings: No exceptions noted.

We were engaged by the Board to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

²³ While it appears to be a good practice for charter schools to ensure it has policies and training for sexual harassment, charter schools do not appear required to comply with the Prevention of Sexual Harassment Law (R.S. 42:341 et seq). An individual charter school, through the specific provisions of its charter, may mandate sexual harassment training.

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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
November 21, 2024