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**North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana**

Financial Statements With Auditor's Report

As of and For the Year Ended December 31, 2021

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana

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Independent Auditors' Report

To the Members of the
Board of Commissioners
North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of the North Louisiana Criminalistics Laboratory Commission (the "Commission") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the North Louisiana Criminalistics Laboratory Commission's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major fund of North Louisiana Criminalistics Laboratory Commission, as of December 31, 2021, 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 (GAAS) 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 North Louisiana Criminalistics Laboratory Commission 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Louisiana Criminalistics Laboratory Commission'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 auditor's report that includes our opinions. 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 GAAS 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgement 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 North Louisiana Criminalistics Laboratory Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about North Louisiana Criminalistics Laboratory Commission's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pages 4 – 9, budgetary comparison information on pages 32 – 33, the Schedule of Contributions on page 35, and the Schedule of Proportionate Share of Net Pension Liability on page 34, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an 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 North Louisiana Criminalistics Laboratory Commission's basic financial statements. The

accompanying other supplementary information listed in the table of contents as Schedule of Compensation, Benefits, and Other Payments to Agency Head and shown on pages 36 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, shown on page 36 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. As disclosed in Note 1 to the financial statements, the Commission prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The other supplementary information schedule, Justice System Funding Schedule, shown on pages 37 – 40, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule is presented to satisfy the requirements of Act 87 of the 2020 Regular Legislative Session (R.S. 24:515.2) and must be presented on the cash basis of accounting which differs significantly from those principles used to present financial statements in accordance with accounting principles generally accepted in the United States of America. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Justice System Funding Schedule, shown on pages 37 – 40, is fairly stated in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of North Louisiana Criminalistics Laboratory Commission'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 solely 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 North Louisiana Criminalistics Laboratory Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Louisiana Criminalistics Laboratory Commission's internal control over financial reporting and compliance.



Cook & Morehart
Certified Public Accountants
June 27, 2022

NORTH LOUISIANA CRIMINALISTICS LABORATORY COMMISSION

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of North Louisiana Criminalistics Laboratory Commission's financial performance provides an overview of the North Louisiana Criminalistics Laboratory Commission's financial activities for the fiscal year ended December 31, 2021. Please read it in conjunction with the Commission's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

The North Louisiana Criminalistics Laboratory Commission's net position decreased by \$1,549,475 or 6%.

The North Louisiana Criminalistics Laboratory Commission's total revenues were \$4,560,335 in 2021 compared to \$4,018,703 in 2020; this increase is due to increase in fees and fines which are remitted from various courts and an increase in operating and capital grants and contributions.

During the year ended December 31, 2021, the North Louisiana Criminalistics Laboratory Commission had total expenses, excluding depreciation of \$5,192,694, compared to \$5,312,761 in 2020.

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 10 and 11) provide information about the activities of the North Louisiana Criminalistics Laboratory Commission as a whole and present a longer-term view of the Commission's finances. Fund financial statements start on page 12. 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 North Louisiana Criminalistics Laboratory Commission's operations in more detail than the government-wide statements by providing information about the North Louisiana Criminalistics Laboratory Commission's most significant funds.

Reporting the North Louisiana Criminalistics Laboratory Commission as a Whole

Our analysis of the North Louisiana Criminalistics Laboratory Commission as a whole begins on page 10. One of the most important questions asked about the North Louisiana Criminalistics Laboratory Commission's finances is "Is the North Louisiana Criminalistics Laboratory Commission as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the funds maintained by the North Louisiana Criminalistics Laboratory Commission as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector

companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the North Louisiana Criminalistics Laboratory Commission's *net position* and changes in it. You can think of the North Louisiana Criminalistics Laboratory Commission's net position – the difference between assets and liabilities – as one way to measure the North Louisiana Criminalistics Laboratory Commission's financial health, or *financial position*. Over time, *increases* or *decreases* in the North Louisiana Criminalistics Laboratory Commission's net position is one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, to assess the overall health of the Commission.

In the Statement of Net Position and the Statement of Activities, we record the funds maintained by the North Louisiana Criminalistics Laboratory Commission as governmental activities:

Governmental activities – all of the expenses paid from the funds maintained by the North Louisiana Criminalistics Laboratory Commission are reported here which consists primarily of personal services, materials and supplies, contractual and other services, and other program services. Grants and court fees finance most of these activities.

Reporting the Commission's Most Significant Funds

Our analysis of the major funds maintained by the North Louisiana Criminalistics Laboratory Commission begins on page 12. The fund financial statements begin on page 12 and provide detailed information about the most significant funds maintained by the North Louisiana Criminalistics Laboratory Commission– not the North Louisiana Criminalistics Laboratory Commission as a whole. The North Louisiana Criminalistics Laboratory Commission's *governmental funds* use the following accounting approaches:

Governmental funds – All of the North Louisiana Criminalistics Laboratory Commission's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the North Louisiana Criminalistics Laboratory Commission's general government operations and the expenses paid from those funds. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance certain North Louisiana Criminalistics Laboratory Commission expenses. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Position and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

THE NORTH LOUISIANA CRIMINALISTICS LABORATORY COMMISSION AS A WHOLE

The North Louisiana Criminalistics Laboratory Commission's total net position changed from a year ago, decreasing from \$27,054,465 to \$25,504,990. Our analysis below will focus on key elements of the total governmental funds for the years ended December 31, 2021 and 2020.

Table 1
Net Position

	Governmental Activities	
	2021	2020
Current and other assets	\$ 1,646,039	\$ 2,253,682
Capital assets	24,686,900	25,273,947
Total assets	<u>26,332,939</u>	<u>27,527,629</u>
Deferred outflows of resources		
- pension related	<u>789,581</u>	<u>692,514</u>
Current liabilities	41,305	179,649
Long-term liabilities	44,381	69,358
Total liabilities	<u>85,686</u>	<u>249,007</u>
Deferred inflows of resources		
- pension related	<u>1,531,844</u>	<u>916,671</u>
Net position:		
Net investment in capital assets	24,686,900	25,273,947
Unrestricted	818,090	1,780,518
Total net position	<u>\$ 25,504,990</u>	<u>\$ 27,054,465</u>

Net position of the North Louisiana Criminalistics Laboratory Commission's governmental activities decreased by \$1,549,475 or 6%. Unrestricted net assets, the part of net assets that can be used to finance North Louisiana Criminalistics Laboratory Commission expenses without constraints or other legal requirements, decreased from \$1,780,518 at December 31, 2020 to \$818,090 at December 31, 2021. This decrease is due to a decrease in fees and fines which are remitted from the various courts beginning in 2020.

Table 2
Change in Net Position

	Governmental Activities	
	2021	2020
Revenues		
Program Revenues		
Capital grants and contributions	\$ 174,218	\$ 66,272
Operating grants and contributions	539,866	316,128
Court fees:		
District courts	1,231,564	1,384,222
City courts	667,894	749,842
Mayor courts	807,473	476,850
Bond fees	77,862	76,447
Fees Act 432	1,031,904	928,725
General Revenues		
Interest income	591	1,188
Miscellaneous revenues	28,963	19,029
Total revenues	<u>4,560,335</u>	<u>4,018,703</u>
Expenses		
Operations - criminalistics laboratory	<u>6,109,810</u>	<u>6,223,254</u>
Increase (decrease) in net position	<u>\$ (1,549,475)</u>	<u>\$ (2,204,551)</u>

Total revenues increased \$541,632 or 18% from total revenues in the year ended December 31, 2020 of \$4,018,703 to total revenues of \$4,560,335 in the year ended December 31, 2021. This increase is due to a increase in fees and fines which are remitted from the various courts and an increase in operating and capital grants and contributions.

THE COMMISSION'S FUNDS

As the Commission completed the year, its governmental funds (as presented in the balance sheet on page 13) reported a *combined* fund balance of \$737,786, which is lower than last year's fund balance of \$1,964,041. This decrease is due to fees and fines revenue being significantly lower than pre-covid 2019 levels.

General Fund Budgetary Highlights

The Commission adopted a budget for its General Fund for the year ended December 31, 2021. There was one amendment to the budget during the year. The Commission's budgetary comparison is presented as required supplementary information and shown on page 33. Highlights for the year are as follows:

- Actual revenues were slightly lower than budgeted amounts, due to less court fees being received by year-end than originally anticipated.
- Actual expenses were slightly higher than budgeted amounts.

The Commission's General Fund balance of \$737,786 reported on page 12 differs from the General Fund's *budgetary* fund balance of \$407,009 reported in the budgetary comparison schedule on page 33. This is primarily due to the Commission budgeting on the cash basis of accounting.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of December 31, 2021 and 2020, the North Louisiana Criminalistics Laboratory Commission had invested \$24,686,900 and \$25,273,947, respectively, in capital assets.

Table 3
Capital Assets At Year End
(Net of Depreciation)

	2021	2020
Land	76,161	76,161
Buildings	22,716,081	23,357,059
Lab and office equipment	1,530,333	1,451,264
Furniture and fixtures	362,493	376,388
Software	1,832	6,232
Vehicles		6,843
Total	24,686,900	25,273,947

This year's major additions included:

Lab and office equipment	330,069	82,905
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More detailed information about the capital assets are presented in Note 6 to the financial

Debt Administration

Long-term liabilities of the Commission are summarized as follows:

Table 4
Long-term Liabilities at Year End

	Governmental Activities	
	2021	2020
Net pension liability	\$	\$ 19,736
Compensated absences	62,138	55,202
Total	<u>\$ 62,138</u>	<u>\$ 74,938</u>

More detailed information about the long-term liabilities is presented in Note 5 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The North Louisiana Criminalistics Laboratory Commission's management considered many factors when setting a fiscal year December 31, 2022 budget. Amounts available for appropriation and expenditures are expected to remain consistent with 2021. It is anticipated that management will consider and monitor the economic uncertainties of Covid-19 and the impact on available financial resources.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens and taxpayers with a general overview of the finances for those funds maintained by the North Louisiana Criminalistics Laboratory Commission and to show the North Louisiana Criminalistics Laboratory Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of the North Louisiana Criminalistics Laboratory Commission at 1630 Tulane Avenue, Shreveport, Louisiana 71103.

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Statement of Net Position
 December 31, 2021

	Governmental Activities
ASSETS	
Cash	\$ 430,556
Receivables	385,305
Net pension asset	739,641
Prepaid expenses	90,537
Capital assets	
Depreciable (net)	76,161
Non-depreciable	24,610,739
Total assets	26,332,939
DEFERRED OUTFLOWS OF RESOURCES - Pension Related	789,581
LIABILITIES	
Accrued liabilities	41,305
Long-term liabilities:	
Due within one year	44,381
Total liabilities	85,686
DEFERRED INFLOWS OF RESOURCES - Pension Related	1,531,844
NET POSITION	
Net investment in capital assets	24,686,900
Unrestricted	818,090
Total net position	\$ 25,504,990

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

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Statement of Activities
 For the Year Ended December 31, 2021

	Governmental Activities
Expenses:	
Operations - criminalistics laboratory	\$ 6,109,810
Total expenses	6,109,810
Program revenues:	
Charges for services:	
Court fees:	
District courts	1,231,564
City courts	667,894
Mayor courts	807,473
Bond fees	77,862
Fees Act 432	1,031,904
Operating grants and contributions	174,218
Capital grants and contributions	539,866
Total program revenues	4,530,781
Net program revenues (expenses)	(1,579,029)
General revenues	
Interest income	591
Miscellaneous	28,963
Total general revenues	29,554
Change in net position	(1,549,475)
Net position - beginning	27,054,465
Net position - ending	\$ 25,504,990

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

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Balance Sheet
 Governmental Fund
 December 31, 2021

	<u>General Fund</u>
Assets	
Cash	\$ 430,556
Receivables	<u>385,305</u>
Total assets	<u><u>\$ 815,861</u></u>
Liabilities	
Accrued liabilities	\$ 41,305
Total liabilities	<u>41,305</u>
Deferred inflows of resources	
Unavailable revenue	<u>36,770</u>
Fund balance	
Unassigned	<u>737,786</u>
Total liabilities and fund balance	<u><u>\$ 815,861</u></u>
Total fund balance - governmental fund	\$ 737,786
Amounts reported for governmental activities in the statement of net position are different because:	
The nonallocation method of accounting for prepayments is used in the fund statements, since the prepayment does not provide expendable financial resources.	90,537
Long-term liabilities and other amounts are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(44,381)
Deferred inflows - pension related	(1,531,844)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	24,686,900
Other long-term assets and other amounts are not available to pay for current period expenditures and therefore are not available in the fund statements	
Net pension asset	739,641
Unavailable revenue	36,770
Deferred outflows - pension related	<u>789,581</u>
Net position of governmental activities	<u><u>\$ 25,504,990</u></u>

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

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund
 For the Year Ended December 31, 2021

	General Fund
Revenues	
Court fees:	
District courts	\$ 1,231,564
City courts	670,390
Mayor courts	773,853
Intergovernmental	
Grants	703,142
Bond fees	77,862
Fees Act 432	1,031,904
Interest income	591
Miscellaneous	28,963
Total revenues	4,518,269
Expenditures	
Operations:	
Auto expense	5,811
Building maintenance	661,755
Accreditation expense	3,370
Dues and subscriptions	12,643
Freight	1,296
Insurance - general	125,657
Insurance - health	332,886
Laboratory equipment maintenance	157,979
Laboratory supplies	242,884
Professional fees	55,284
Office supplies	27,037
Document examiner	2,300
DNA	619,891
Other services	2,681
Retirement expense	315,092
Salaries	2,611,733
Payroll taxes	41,552
Training	21,019
Travel	10,300
Utilities	335,929
Miscellaneous	1,413
Capital outlay	330,069
Total expenditures	5,918,581
Excess (deficiency) of revenues over (under) expenditures	(1,400,312)
Other financing sources	
Proceeds from insurance	174,057
Total other financing sources	174,057
Net change in fund balance	(1,226,255)
Fund balance, beginning of year	1,964,041
Fund balance, end of year	\$ 737,786

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

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in
 Fund Balance of the Governmental Fund to the Statement of Activities
 For the Year Ended December 31, 2021

Net change in fund balance - total governmental fund \$ (1,226,255)

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

The nonallocation method of accounting for prepayments is used in the
 fund statements, since the prepayment does not provide expendable
 financial resources. 10,713

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.

Compensated absences	5,241
Pension expense - decrease	205,807

Revenues in the statement of activities that do not provide current
 financial resources are not reported as revenues in the funds.

Unavailable revenue	6,602
Non-employer contributions to cost-sharing pension plan	35,464

Governmental funds report capital outlays as expenditures. However, in
 the statement of activities, the cost of those assets is allocated over their
 estimated useful lives and reported as depreciation expense. This is the
 amount by which depreciation expense (\$917,116) exceeded capital
 outlays (\$330,069) in the current period. (587,047)

Change in net position of governmental activities \$ (1,549,475)

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

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2021

INTRODUCTION

The North Louisiana Criminalistics Laboratory Commission (the Commission) was created in accordance with Louisiana Revised Statutes 40:2261–2266.3, for crime detection, prevention, investigation and other related activities in connection with criminal investigations. The Laboratory Commission serves the Louisiana parishes of Avoyelles, Bienville, Bossier, Caddo, Caldwell, Catahoula, Claiborne, Concordia, Desoto, East Carroll, Franklin, Grant, Jackson, LaSalle, Lincoln, Madison, Morehouse, Natchitoches, Ouachita, Rapides, Red River, Richland, Sabine, Tensas, Union, Vernon, Webster, West Carroll and Winn.

The membership of the Commission consists of the coroner, sheriff, and Commission attorney of the parish in which the Commission is domiciled, which is Caddo Parish, to serve during their elective terms of office, together with one person from each of the twenty-nine (29) parishes which the Commission serves. Those persons are appointed by the respective governing authorities of the parishes and serve for a period of two years or until a successor is appointed. The Commissioners serve without pay.

(1) Summary of Significant Accounting Policies

The North Louisiana Criminalistics Laboratory Commission's financial statements are prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the North Louisiana Criminalistics Laboratory Commission are discussed below.

A. Reporting Entity

Louisiana Revised Statute 40:2265 states that the Commission is created as a body politic with the right to sue and be sued, acquire any and all property necessary for its operations, to incur debt, to accept gifts and donations, and to establish rules and regulations for the conduct of its affairs. For those reasons and due to the nature of its operations covering twenty-nine (29) parishes, the Commission is considered a legally separate local public entity and it is not considered a component unit of any parish or other local government.

B. Basic Financial Statements – Government-Wide Statements

The North Louisiana Criminalistics Laboratory Commission's basic financial statements include both government-wide (reporting the funds maintained by the North Louisiana Criminalistics Laboratory Commission as a whole) and fund financial statements (reporting the North Louisiana Criminalistics Laboratory Commission's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The North Louisiana Criminalistics Laboratory Commission's general fund is classified as governmental activities. The North Louisiana Criminalistics Laboratory Commission does not have any business-type activities.

(Continued)

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
Notes to Financial Statements
December 31, 2021
(Continued)

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables. The North Louisiana Criminalistics Laboratory Commission's net position is reported in two parts – net investment in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the North Louisiana Criminalistics Laboratory Commission's functions. The functions are supported by general government revenues and program revenues consisting of fees and fines remitted by the various courts, operating grants and contributions, including non-employer contributions to cost sharing pension plan, and capital grants and contributions. The Statement of Activities reduces gross expenses (including depreciation) by any related program revenues, which must be directly associated with the function. The net costs (by function) are covered by general revenues.

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

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the North Louisiana Criminalistics Laboratory Commission are recorded in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the North Louisiana Criminalistics Laboratory Commission:

Governmental Funds – the focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the North Louisiana Criminalistics Laboratory Commission:

- a. General funds are the general operating funds of the North Louisiana Criminalistics Laboratory Commission. They are used to account for all financial resources except those required to be accounted for in another fund.

The emphasis in fund financial statements is on the major funds in the governmental category. GASB sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Commission's general fund was determined to be a major fund.

(Continued)

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
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D. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures 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.

1. Accrual:

The governmental funds in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Commission's primary revenue source consists of fees assessed in accordance with Louisiana Revised Statute 40:2264 on criminal cases prosecuted under state statutes, parish ordinances, or city ordinances in any mayor's, city, or district court of the State of Louisiana sitting within a parish served by the Commission. The fees are assessed in accordance with fee schedule as listed in Louisiana Revised Statute 40:2264 and vary per case depending on the type of offense. Revenue is recorded based upon the period collected by various courts. Interest income is recorded when earned. Donations are recorded when received in cash, because they are generally not measurable until actually received. Federal and state grants are recorded when the Commission is entitled to the funds.

2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Depreciation is not recognized in the governmental fund financial statements.

E. Budgets

The System Director and Executive Secretary prepare a proposed budget and do the following:

- (1) Submit it to the Board of Commissioners for approval.
- (2) Submit it to all governing authorities of the parishes which the Commission serves in order to obtain at least a majority approval.
- (3) All budgetary appropriations lapse at the end of each fiscal year.
- (4) The basis of accounting applied to budgetary data is presented on the cash basis of accounting.

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F. Cash, Cash Equivalents, and Investments

Cash includes amounts in petty cash, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or money market accounts with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are carried at cost, which approximates market.

G. Capital Assets

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. The Federal Government has a reversionary interest in property purchased with federal funds. Its disposition as well as the ownership of any proceeds therefrom is subject to federal regulations.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 – 40 years
Vehicles	10 – 15 years
Equipment	5 – 35 years
Furniture / Fixtures	5 – 35 years

H. Compensated Absences

The Commission has the following policy relating to vacation and sick leave:

Employees of the Commission earn from 8 hours to 16 hours per month of sick leave each year and from 6 hours to 14 hours per month of vacation leave each year, depending on their lengths of service. Upon separation of employment unused vacation leave can be paid to the employee. Sick leave will not be paid upon separation of service. Effective January 1, 1998, vacation leave unused in a given year in excess of 40 hours may not be carried forward. Accumulated unused vacation leave as of December 31, 1997 was allowed to be carried forward. Unused sick leave is allowed to accumulate. The cost of leave privileges, computed in accordance with the above policy, is recognized as a current-year expenditure within the general fund when leave is actually taken.

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I. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

J. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide financial statements.

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the district or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The commission's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

1. Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted - amounts that can be spent only for specific purposes due to constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed - amounts that can be used only for the specific purposes as a result of constraints imposed by the Commission (the Entity's highest level of decision making authority). Committed amounts cannot be used for any other purpose unless the judge removes those constraints by taking the same type of action (i.e. legislation, resolution, ordinance).
4. Assigned - amounts that are constrained by the Commission's intent to be used for specific purposes, but are neither restricted nor committed.
5. Unassigned - all amounts not included in other spendable classifications

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When both restricted and unrestricted fund balances are available for use, it is the Commission's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

M. Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission has one type of item that meets this definition and qualifies for reporting in this category. Accordingly, the item pension-related is reported in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element *deferred inflows of resources*, reflects an increase in net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two types of items that meet this definition and qualifies for reporting in this category. Accordingly, the item unavailable revenue is reported in the balance sheet for governmental fund, and pension-related is reported in the statement of net position.

N. Pension Plan

The Commission is a participating employer in a cost-sharing, multiple-employer, defined benefit pension plan as described in Note 7. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of each of the plans, and additions to/deductions for the plans fiduciary net position have been determined on the same basis as they are reported by the plan.

(2) Cash and Cash Equivalents

At December 31, 2021, the Commission had cash and cash equivalents (book balances) totaling \$430,556 in interest bearing demand deposit and savings accounts. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of December 31, 2021, \$207,894 of the Commission's bank balances of \$457,894 was exposed to custodial credit risk as uninsured deposits protected and collateralized with pledge securities held by the custodial bank's trust department not in the Commission's name.

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(3) Receivables

The following is a summary of receivables at December 31, 2021:

Court fees	\$	335,562
Bond fees		40,233
Grants		<u>9,510</u>
Total		<u>\$ 385,305</u>

(4) Accrued Liabilities

Accrued liabilities at December 31, 2021, consisted of the following:

Compensated absences	\$	17,757
Payroll taxes		<u>23,548</u>
		<u>\$ 41,305</u>

(5) Long-term Debt

The Commission's long-term liabilities related to pension, capital leases, and compensated absences for the year ended December 31, 2021, were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Net pension liability	\$ 19,736	\$	\$(19,736)	\$	\$
Compensated absences	<u>55,202</u>	<u>195,699</u>	<u>(188,763)</u>	<u>62,138</u>	<u>62,138</u>
	<u>\$ 74,938</u>	<u>\$ 195,699</u>	<u>\$(208,499)</u>	62,138	62,138
Less amounts due within period of availability				<u>(17,757)</u>	<u>(17,757)</u>
Total long-term liabilities, government-wide statements				<u>\$ 44,381</u>	<u>\$ 44,381</u>

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(6) Capital Assets

Capital assets and activity for the year ended December 31, 2021 was as follows:

	Balance at Jan. 1, 2021	Additions	Deletions	Balance at Dec. 31, 2021
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 76,161	\$	\$	\$ 76,161
Total capital assets, not being depreciated	<u>76,161</u>	<u></u>	<u></u>	<u>76,161</u>
Capital assets, being depreciated:				
Buildings	25,547,451			25,547,451
Lab and office equipment	4,062,166	330,069		4,392,235
Furniture and fixtures	457,366			457,366
Software	89,863			89,863
Vehicles	89,351			89,351
Total capital assets being depreciated at historical cost	<u>30,246,197</u>	<u>330,069</u>	<u></u>	<u>30,576,266</u>
Less accumulated depreciation:				
Buildings	(2,190,392)	(640,978)		(2,831,370)
Lab and office equipment	(2,610,902)	(251,000)		(2,861,902)
Furniture and fixtures	(80,978)	(13,895)		(94,873)
Software	(83,631)	(4,400)		(88,031)
Vehicles	(82,508)	(6,843)		(89,351)
Total accumulated depreciation	<u>(5,048,411)</u>	<u>(917,116)</u>	<u></u>	<u>(5,965,527)</u>
Total capital assets being depreciated, net	<u>25,197,786</u>	<u>(587,047)</u>	<u></u>	<u>24,610,739</u>
Governmental activities capital assets, net	<u>\$ 25,273,947</u>	<u>\$ (587,047)</u>	<u>\$</u>	<u>\$ 24,686,900</u>

Depreciation expense of \$917,116 was charged to Operations - criminalistics laboratory in the Statement of Activities.

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(7) Pension Plan

The Commission participates in the Parochial Employees' Retirement System of Louisiana (System), a cost-sharing multiple-employer defined benefit pension plan established by Act 205 of the 1952 regular session of the Legislature of the State of Louisiana to provide retirement benefits to all employees of any parish in the State of Louisiana or any governing body or a parish which employs and pays persons serving the parish. Act 765 of the year 1979, established by the Legislature of the State of Louisiana, revised the System to create Plan A and Plan B to replace the "regular plan" and the "supplemental plan". Plan A was designated for employers out of Social Security. Plan B was designated for those employers that remained in Social Security on the revision date. The Retirement System is governed by Louisiana Revised Statutes, Title 11, Sections 1901 through 2025, specifically, and other general laws of the State of Louisiana.

All employees of the Commission are members of Plan A.

Plan Description

Parochial Employees' Retirement System of Louisiana is the administrator of a cost sharing multiple employer defined benefit pension plan. The System was established and provided for by R.S.11:1901 of the Louisiana Revised Statute (LRS). The System provides retirement benefits to employees of taxing Commissions of a parish or any branch or section of a parish within the State which does not have their own retirement system and which elects to become members of the System. The following is a description of the plan and its benefits and is provided for general information purposes only. Participants should refer to these appropriate statutes for more complete information.

Eligibility Requirements:

All permanent parish government employees (except those employed by Orleans, Lafourche and East Baton Rouge Parishes) who work at least 28 hours a week shall become members on the date of employment. New employees meeting the age and Social Security criteria have up to 90 days from the date of hire to elect to participate. As of January 1997, elected officials, except coroners, justices of the peace, and parish presidents may no longer join the System.

Retirement Benefits:

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

For employees hired prior to January 1, 2007:

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

For employees hired after January 1, 2007:

1. Age 55 with 30 years of service.
2. Age 62 with 10 years of service.
3. Age 67 with 7 years of service.

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Generally, the monthly amount of the retirement allowance of any member of Plan A shall consist of an amount equal to 3% of the member's final average compensation multiplied by his/her years of creditable service. However, under certain conditions, as outlined in the statutes, the benefits are limited to specified amounts.

Survivor Benefits:

Upon the death of any member of Plan A with five (5) or more years of creditable service who is not eligible for retirement, the plan provides for benefits for the surviving spouse and minor children, as outlined in the statutes. Any member of Plan A, who is eligible for normal retirement at time of death, the surviving spouse shall receive an automatic Option 2 benefit, as outlined in the statutes. A surviving spouse who is not eligible for Social Security survivorship or retirement benefits, and married not less than twelve (12) months immediately preceding death of the member, shall be paid an Option 2 benefit beginning at age 50.

Deferred Retirement Option Plan:

Act 338 of 1990 established the Deferred Retirement Option Plan (DROP) for the System. DROP is an option for that member who is eligible for normal retirement. In lieu of terminating employment and accepting a service retirement, any member of Plan A or B who is eligible to retire may elect to participate in the Deferred Retirement Option Plan (DROP) in which they are enrolled for three years and defer the receipt of benefits. During participation in the plan, employer contributions are payable but employee contributions cease. The monthly retirement benefits that would be payable, had the person elected to cease employment and receive a service retirement allowance, are paid into the DROP Fund.

Upon termination of employment prior to or at the end of the specified period of participation, a participant in the DROP may receive, at his option, a lump sum from the account equal to the payments into the account, a true annuity based upon his account balance in that fund, or roll over the fund to an Individual Retirement Account. Interest is accrued on the DROP benefits for the period between the end of DROP participation and the member's retirement date.

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

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Disability Benefits:

For Plan A, a member shall be eligible to retire and receive a disability benefit if they were hired prior to January 1, 2007, and has at least five years of creditable service or if hired after January 1, 2007, has seven years of creditable service, and is not eligible for normal retirement and has been officially certified as disabled by the State Medical Disability Board. Upon retirement caused by disability, a member of Plan A shall be paid a disability benefit equal to the lesser of an amount equal to 3% of the member's final average compensation multiplied by his years of service, not to be less than 15, or three percent multiplied by years of service assuming continued service to age 60 for those members who are enrolled prior to January 1, 2017 and to age 62 for those members who are enrolled January 1, 2007 and later.

Cost of Living Increases:

The Board is authorized to provide a cost of living allowance for those retirees who retired prior to July 1973. The adjustment cannot exceed 2% of the retiree's original benefit for each full calendar year since retirement and may only be granted if sufficient funds are available from investment income in excess of normal requirements. In addition, the Board may provide an additional cost of living increase to all retirees and beneficiaries who are over age 65 equal to 2% of the member's benefit paid on October 1, 1977, (or the member's retirement date, if later). Also, the Board may provide a cost of living increase up to 2.5% for retirees 62 and older. (RS 11:1937). Lastly, Act 270 of 2009 provided for further reduced actuarial payments to provide an annual 2.5% cost of living adjustment commencing at age 55.

Employer Contributions

According to state statute, contributions for all employers are actuarially determined each year. For the year ended December 31, 2020, the actuarially determined contribution rate was 11.11% of member's compensation for Plan A. However, the actual rate for the fiscal year ending December 31, 2020 was 12.25% for Plan A. The actual rate for the fiscal year ending December 31, 2021 was 12.25%. The Commission's contributions to the System for the years ended December 31, 2021, 2020, and 2019 were \$288,548, \$345,133, and \$305,704, respectively.

According to state statute, the System also receives $\frac{1}{4}$ of 1% of ad valorem taxes collected within the respective parishes, except for Orleans and East Baton Rouge parishes. The System also receives revenue sharing funds each year as appropriated by the Legislature. Tax monies and revenue sharing monies are apportioned between Plan A and Plan B in proportion to the member's compensation. These additional sources of income are used as additional employer contributions and are considered support from non-employer contributing entities. Non-employer contributions received by the System and attributable to the Commission during the years ended December 31, 2021 and 2020 were \$35,464 and \$33,926, respectively.

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Pension Liabilities(Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Commission reported an asset of \$739,641 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The historical employer contributions are used to determine the proportionate relationship of each employer to all employers of Parochial Employees' Retirement System of Louisiana. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The resulting allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

The allocation method used in determining each employer's proportion was based on each employer's contribution to the plan during the fiscal year ended December 31, 2020 as compared to the total of all employers' contributions received by the plan during the fiscal year ended December 31, 2020.

At December 31, 2020, the Commission's proportion was .421829%, which was an increase of .002590% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the Commission recognized pension expense of \$114,262, plus employer's amortization of change in proportionate share and the difference between employer contributions and proportionate share of contributions, (\$31,521).

At December 31, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ 180,077	\$ 88,280
Changes of assumptions	241,987	
Net difference between projected and actual earnings on pension plan investments		1,443,564
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,808	
Employer contributions subsequent to the measurement Date	319,709	
Total	<u>\$ 789,581</u>	<u>\$ 1,531,844</u>

The Commission reported a total of \$319,709 as deferred outflow of resources related to pension contributions made subsequent to the measurement period of December 31, 2020, which will be recognized as an increase in net pension asset in the year ended December 31, 2022.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ (283,219)
2023	(84,826)
2024	(458,095)
2025	<u>(235,832)</u>
Total	<u>\$ (1,061,972)</u>

Actuarial Methods and Assumptions

The net pension asset was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

A summary of the actuarial methods and assumptions used in determining the total pension asset as of December 31, 2020, are as follows:

Valuation Date	December 31, 2020
Actuarial Cost Method	Plan A – Entry Age Normal
Investment Rate of Return	6.40%, net of investment expense, including inflation
Expected Remaining Service lives	4 years
Projected Salary Increases	Plan A – 4.75%
Cost of Living Adjustments	The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increase not yet authorized by the Board of Trustees.
Mortality	Pub-2010 Public Retirement Plans Mortality Table for Health Retirees multiplied by 130% for males and 125% for females using MP2018 scale for annuitant and beneficiary mortality. For employees, the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females using MP2018 scale. Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females using MP2018 scale for disabled annuitants.

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Inflation Rate 2.30%

The discount rate used to measure the total pension asset was 6.40% for Plan A. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers and non-employer contributing entities will be made at the actuarially determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset.

The long-term expected rate of return on pension plan investments was determined using a triangulation method which integrated the capital asset pricing model (top-down), a treasury yield curve approach (bottom-up) and an equity building-block model (bottom-up). Risk return and correlations are projected on a forward looking basis in equilibrium, in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.00% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.00% for the year ended December 31, 2020.

Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
Fixed income	33%	.86%
Equity	51%	3.36%
Alternatives	14%	0.67%
Real assets	2%	0.11%
Totals	<u>100%</u>	5.00%
Inflation		<u>2.00%</u>
Expected Arithmetic Nominal Return		<u>7.00%</u>

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The mortality rate assumption used was set based upon an experience study performed on plan data for the period January 1, 2012 through December 31, 2017. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. As a result of this study, mortality for employees was set equal to the Pub-2010 Public Retirement Plans Mortality Table for General Employees multiplied by 130% for males and 125% for females, each with full generational projections using the MP2018 scale. In addition, mortality for annuitants and beneficiaries was set equal to the Pub-2010 Public Retirement Plans Mortality Table for Healthy Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale. For Disabled annuitants mortality was set to equal to the Pub-2010 Public Retirement Plans Mortality Table for General Disabled Retirees multiplied by 130% for males and 125% for females, each with full generational projection using the MP2018 scale.

Sensitivity to Change in Discount Rate

The following presents the net pension asset of the participating employers as of December 31, 2020 calculated using the discount rate of 6.40%, as well as what the employers' net pension liability/asset would be if it were calculated using a discount rate that is one percentage point lower 5.40% or one percentage point higher 7.40% than the current rate.

	PLAN A		
	Changes in Discount Rate		
	1%	Current	1%
	Decrease	Discount	Increase
	<u>5.40%</u>	<u>6.40%</u>	<u>7.40%</u>
Net Pension Liability(Asset)	\$1,550,811	(\$ 789,641)	(\$2,657,846)

Change in Net Pension Liability(Asset)

The changes in the net pension liability for the year ended December 31, 2020 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience:

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

Differences between Projected and Actual Investment Earnings:

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five year period.

Change in Assumptions:

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan.

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Change in Proportion:

Changes in the employer's proportionate shares of the collective net pension asset and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using a the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan.

Contributions – Proportionate Share

Differences between contributions remitted to the System and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of employer amounts due to differences that could arise between contributions reported by the System and contributions reported by the participating employer.

Retirement System Audit Report

Parochial Employees' Retirement System of Louisiana issued a stand-alone audit report on its financial statements for the year ended December 31, 2020. Access to the audit report can be found on the System's website: www.persla.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the System's collective net pension liability (asset). The System's plan fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts. The Plan's fiduciary net position has been determined on the same basis as that used by the plan. Detailed information about the fiduciary net position is available in a stand-alone audit report on their financial statements for the year ended December 31, 2020. Access to these reports can be found on the Louisiana Legislative Auditor's website, www.la.gov.

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(Continued)

(8) Leases

The Commission has several operating lease agreements for office equipment. During 2021, total payments made under these leases were \$19,444. The minimum annual commitments under leases are as follows:

<u>Year Ending</u> <u>December 31,</u>	
2022	\$ 12,910
2023	10,512
2024	8,832
2025	8,832
2026	8,832
	<u>\$ 49,918</u>

(9) Subsequent Events

Subsequent events have been evaluated through June 27, 2022, the date the financial statements were available to be issued.

(10) Uncertainty

As a result of the Covid-19 Coronavirus, economic uncertainties have arisen which are likely to negatively impact financial resources. While the duration on the economic impact is expected to be temporary, there is considerable uncertainty around the duration. The related financial impact and duration cannot be reasonable estimated at this time.

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balances-
Budget (Cash Basis) and Actual
For the Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Court fees:				
District courts	\$ 1,755,000	\$ 1,270,500	\$ 1,238,011	\$ (32,489)
City courts	786,100	733,204	719,685	(13,519)
Mayor courts	503,000	699,400	700,603	1,203
Grant revenue	350,000	683,400	716,973	33,573
Bond fees	79,000	76,100	74,256	(1,844)
Fees collected Act 432	963,000	1,112,500	1,087,884	(24,616)
Interest income			591	591
Insurance proceeds		204,244	174,057	(30,187)
Miscellaneous	25,000	32,432	32,282	(150)
Total revenues	<u>4,461,100</u>	<u>4,811,780</u>	<u>4,744,342</u>	<u>(67,438)</u>
Expenditures				
Operations:				
Auto expense	12,000	6,000	5,811	189
Building maintenance	352,200	650,844	661,756	(10,912)
Dues and subscriptions	18,000	21,000	12,643	8,357
Freight	2,500	1,500	1,296	204
Grant expenses	230,000	683,400	433,118	250,282
Insurance - general	117,000	131,500	125,657	5,843
Insurance - health	325,000	329,257	332,886	(3,629)
Laboratory equipment maintenance	217,000	193,725	157,979	35,746
Laboratory supplies	248,200	244,950	242,884	2,066
Professional fees	25,000	30,000	59,184	(29,184)
Accreditation expense	20,000	5,000	3,370	1,630
Office supplies	30,000	29,000	27,037	1,963
Legal - other services	5,000	5,000	2,681	2,319
DNA supplies	350,000	205,800	198,771	7,029
Document examiner		2,300	2,300	
Retirement expense	345,593	312,887	392,888	(80,001)
Salaries	2,821,174	2,599,081	2,599,556	(475)
Payroll taxes	30,000	41,515	41,552	(37)
Training	25,000	23,700	21,019	2,681
Travel	20,000	12,000	10,300	1,700
Utilities	97,600	125,000	335,929	(210,929)
Miscellaneous	195,730	214,600	1,413	213,187
Capital outlay	50,000	69,990	330,069	(260,079)
Total expenditures	<u>5,536,997</u>	<u>5,938,049</u>	<u>6,000,099</u>	<u>(62,050)</u>
Excess (deficiency) of revenues over (under) expenditures	(1,075,897)	(1,126,269)	(1,255,757)	(129,488)
Fund balance, beginning of year	2,266,958	1,662,766	1,662,766	
Fund balance, end of year	<u>\$ 1,191,061</u>	<u>\$ 536,497</u>	<u>\$ 407,009</u>	<u>\$ (129,488)</u>

See accompanying notes to the required supplementary schedule.

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Note to Required Supplementary Information
 December 31, 2021

The Commission's budget is adopted on a cash basis for all funds. There was one amendment to the 2021 budget. The budget comparison schedule included in the accompanying financial statements includes the original and adopted budgets. The schedule below reconciles excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis with GAAP basis:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses (budget basis)	\$ (1,255,757)
Adjustments:	
Revenue accruals – net	(52,016)
Expenditure accruals – net	<u>81,518</u>
Excess of revenues and other sources over expenditures and other uses (GAAP basis)	<u>\$ (1,226,255)</u>

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Schedule of Proportionate Share of Net Pension Liability (Asset)
 For the Year Ended December 31, 2021

Parochial Employees' Retirement System

<u>Year Ended December 31</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered-employee payroll</u>	<u>Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2021	0.42183%	\$ (739,641)	\$ 2,817,410	-26.25%	104.00%
2020	0.41924%	19,736	2,658,631	0.74%	99.89%
2019	0.36771%	1,632,033	2,262,250	72.14%	88.86%
2018	0.31531%	(234,040)	1,940,807	12.06%	101.98%
2017	0.30372%	625,517	1,801,228	34.73%	94.15%
2016	0.32383%	852,416	1,856,716	45.91%	92.23%
2015	0.33403%	91,327	1,820,003	5.02%	99.15%

*Amounts presented were determined as of the measurement date.

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

North Louisiana Criminalistics Laboratory Commission
 Shreveport, Louisiana
 Schedule of Contributions
 For the Year Ended December 31, 2021

Parochial Employees' Retirement System

<u>Year Ended December 31</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in relation to the statutorily required contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered-employee payroll</u>	<u>Contributions as a percentage of covered-employee payroll</u>
2021	\$ 319,709	\$ 319,709	\$	\$ 2,609,872	12.25%
2020	345,133	345,133		2,817,410	12.25%
2019	305,704	305,704		2,658,631	11.50%
2018	259,962	259,962		2,262,250	11.49%
2017	242,601	242,601		1,940,807	12.50%
2016	234,160	234,160		1,801,228	13.00%
2015	269,224	269,224		1,856,716	14.50%

*Amounts presented were determined as of the end of the fiscal year (December 31).

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
Other Supplementary Information
Schedule of Compensation, Benefits, and Other Payments to Agency Head
For the Year Ended December 31, 2021

Agency Head: Joey Jones - System Director

<u>PURPOSE</u>	<u>AMOUNT</u>
Salary	\$ 155,658
Benefits - insurance	8,368
Benefits - retirement	15,199
Benefits - other	208
Cell phone	1,712
Reimbursements	335
Travel	2,876

North Louisiana Criminalistics Laboratory Commission
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - General Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021

Cash Basis Presentation	January 2021 - June 2021	July 2021 - December 2021
Receipts From:		
<u>Criminal court costs/fees:</u>		
Alexandria City court	\$ 33,672	\$ 17,497
Avoyelles Sheriff- District court-	33,685	28,501
Bastrop city Court	8,412	5,697
Benton Mayor Court	3,750	4,730
Bienville Sheriff District Court	54,201	38,037
Bossier City court	33,549	44,630
Bossier Parish Sheriff- District Court	125,300	104,359
Caddo Parish Sheriff-District Court	140,753	97,282
Cadwell Parish Sheriff-District court	13,248	5,876
Campti Mayor Court	120	340
Castor Mayor Court	210	90
Catahoula Sheriff District Court	10,900	10,186
Chatham Mayor Court	1,010	1,420
City of Grambling	62,624	34,955
Claiborne Parish sheriff district Court	27,380	17,330
Clayton Mayor Court	2,340	2,740
Concordia sheriff District Court	16,391	12,247
Coushatta Mayor Court	860	650
DeSoto Sheriff-District court	51,044	26,858
Dixie Inn Mayor Court	290	150
Dodson Mayor Court	21,010	23,580
Doyline Mayor Court		2,911
Dubach Mayor Court	3,100	1,130
East Carroll Sheriff District court	44,394	36,614
Ferriday Mayor Court	5,240	7,360
Fisher Mayor Court	2,330	1,970
Forest Mayor Court	4,130	
Franklin Sheriff-District Court	33,586	28,474
Glenmora Mayor Court	660	580
Grant Sheriff -District Court	28,657	29,662
Hall Summit Mayor Court	170	90
Haynesville Mayor Court	6,060	5,260
Jackson Sheriff-District Court	23,469	18,726
Jena Mayor Court	1,720	1,030
Kilbourne Mayor Court	190	200
Lake Providence Mayor Court		5,960
LaSalle Sheriff District Court	9,574	7,370
Leesville city court	30,347	12,300

(Continued)

North Louisiana Criminalistics Laboratory Commission
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - General Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021
 (Continued)

	January 2021 - June 2021	July 2021 - December 2021
Lincoln sheriff District Court	76,113	62,209
Madison Sheriff District Court	36,995	31,968
Mansfield city Court	1,150	5,380
Many City court	3,940	2,058
Marion Mayor Court	870	690
Marksville City court	1,000	1,360
McNary Mayor Court	410	390
Mer Rouge Mayor Court	1,710	1,420
Minden city court	1,620	1,620
Monore city court	50,543	45,005
Morehouse Sheriff District Court	17,458	13,459
Natchitoches City Court	16,940	11,410
Natchitoches Sheriff District Court	79,332	64,373
Oak Grove Mayor Court	30	250
Ouachita Sheriff District Court	118,770	97,921
Pineville City court	24,790	37,374
Ploucheville Mayor Court		330
Rapides Sheriff District Court	87,981	69,806
Red River Sheriff District Court	17,320	13,610
Richland Sheriff District Court	32,760	27,303
Richmond Mayor Court	110	
Ridgecrest Mayor Court	10	70
Ringgold Mayor Court	90	90
Ruston City Court	43,151	34,420
Sabine Sheriff District Court	19,234	9,004
Sarepta Mayor Court	5,390	5,190
Shreveport city court	65,705	113,409
Sibley Mayor Court	1,430	2,670
Springhill City Court	3,530	5,240
Stonewall City Court	720	300
Tensas Sheriff District Court	9,927	17,158
Town of Arcadia	130	10
Town of Bernice	120	120
Town of Blanchard	2,700	2,850
Town of Columbia	2,180	1,810
Town of Farmerville	2,850	4,093
Town of Forest Hill	4,070	10,532
Town of Greenwood	23,430	25,150
Town of Haughton	4,440	8,920
Town of Hodge	520	990
Town of Lecompte		17,122
Town of Mangham	5,440	7,895
Town of Montgomery	10	20

(Continued)

North Louisiana Criminalistics Laboratory Commission
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - General Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021
 (Continued)

	January 2021 - June 2021	July 2021 - December 2021
Town of New Llano	35,182	42,510
Town of Olla	11,720	13,210
Town of Pollock	900	540
Town of Richwood	20	10
Town of Rosepine	1,260	760
Town of Tullos	22,490	14,410
Town of Woodworth	55,890	51,610
Town of Zwolle	50	130
Union Sheriff District Court	21,442	20,183
Vernon Sheriff District Court	96,523	80,812
Vidalia City court	1,400	3,240
Village of Athens	3,570	2,430
Village of Baskins	17,040	16,805
Village of Creola	17,960	32,820
Village of Delta	4,260	1,340
Village of Epps		40
Village of Florien	7,600	3,100
Village of Georgetown	2,930	2,040
Village of Goldonna	20	
Village of Heflin	330	280
Village of Ida	30	30
Village of Rodessa	130	150
Vivian Mayor Court	2,205	2,220
Webster Sheriff District Court	39,855	26,632
West Carroll District Court	18,186	15,669
West Monroe City Court	14,671	8,690
Winn Sheriff District Court	17,494	12,300
Winnfield City Court	2,795	4,930
Winnsboro City Court	1,070	1,190
Sub-total criminal court costs/fees	1,996,318	1,749,872

Bond Fees:

Avoyelles Sheriff District Court- Bond Fees	1,420	1,288
Bienville Sheriff District Court-Bond Fees	226	150
Bossier Parish Sheriff- District Court-Bond Fees	3,728	3,568
Caddo Parish Sheriff-District Court-Bond Fees	9,188	8,251
Catahoula Sheriff District Court-Bond Fees	472	460
City of Bastrop - Bond Fees		189
City of Many- Bond Fees	62	14
Claiborne Parish sheriff district court-Bond Fees	402	358
Concordia sheriff District court- Bond Fees	754	588
DeSoto Sheriff-District court-Bond Fees	532	468

(Continued)

North Louisiana Criminalistics Laboratory Commission
 Other Supplementary Information
 Justice System Funding Schedule
 Receiving Schedule - General Fund
 As Required by Act 87 of the 2020 Regular Legislative Session
 For the Year Ended December 31, 2021
 (Continued)

	January 2021 - June 2021	July 2021 - December 2021
East Carroll Sheriff District court-Bond Fees	286	156
Franklin Sheriff-District Court- Bond Fees	384	234
Grant Sheriff -District Court-Bond Fees	696	536
Jackson Sheriff-District Court- Bond Fees	212	194
Lasalle Sheriff District Court-Bond Fees	318	520
Leesville - Bond Fees	550	
Lincoln sheriff District Court-Bond Fees	736	1,212
Madison Sheriff District Court-Bond Fees	452	412
Morehouse Sheriff District Court-Bond Fees	976	1,082
Natchitoches Sheriff District Court-bond Fees	484	240
Ouachita Sheriff District Court-Bond Fees	7,040	8,182
Rapides Sheriff District Court-Bond fees	3,006	2,242
Red River Sheriff District Court-Bond Feed	236	222
Richland Sheriff District Court-Bond fees	328	816
Sabine sheriff District Court-Bond Fees	713	639
Tensas Sheriff District Court-Bond Fees	116	176
Town of Sarepta - Bond Fees	32	658
Town of Vivian- Bond Fees	40	42
Union Sheriff District Court-Bond Fees	882	842
Vernon Sheriff District Court-Bond Fees	1,694	1,340
Webster Sheriff District Court-Bond Fees	991	1,044
West Carroll District Court-Bond Fees	440	346
Winn Sheriff District Court - Bond Fees	170	186
Winn sheriff District Court -Bond fees		29
Sub-total bond fees	37,566	36,684
Total receipts	\$ 2,033,884	\$ 1,786,556
Ending Balance of Amounts Assessed but Not Received	-	-

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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*

Independent Auditor's Report

To the Members of the
Board of Commissioners
North Louisiana Criminalistics
Laboratory Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and major fund of the North Louisiana Criminalistics Laboratory Commission as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the North Louisiana Criminalistics Laboratory Commission's basic financial statements, and have issued our report thereon dated June 27, 2022.

Report on Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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.

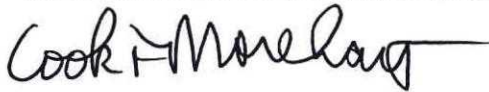
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Louisiana Criminalistics Laboratory Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.



Cook & Morehart
Certified Public Accountants
June 27, 2022

North Louisiana Criminalistics Laboratory
Shreveport, Louisiana
Summary Schedule of Prior Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2021

There were no findings for the prior year audit for the year ended December 31, 2020.

Summary Schedule of Current Year Audit Findings
Schedule For Louisiana Legislative Auditor
December 31, 2021

There are no findings for the current year audit for the year ended December 31, 2021.

COOK & MOREHART

Certified Public Accountants

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Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Board of Commissioners
North Louisiana Criminalistics Laboratory Commission
Shreveport, Louisiana
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 January 1, 2021 through December 31, 2021. The North Louisiana Criminalistics Laboratory Commission's management is responsible for those C/C areas identified in the SAUPs.

North Louisiana Criminalistics Laboratory Commission (the Commission) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. Additionally, LLA has agreed to and acknowledges 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:

Written Policies and Procedures

1. 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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving.
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collection for each type of revenue or agency fund additions (including periodic confirmation with outside

parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statutes (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.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosures/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **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.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Management provided written policies and procedures addressing all of the above.

Board or Finance Committee

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

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

The Board of Commissioners met with a quorum on a frequency in accordance with the board's bylaws.

- b) 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 funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.

Exception: The minutes of the board of commissioners did not referenced and included budget to actual comparisons on the general fund.

Management's Response: The Commission will implement procedures to have the Board of Commissioners approve their review of the financials in the future meetings.

c) 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.

The Commission did not have a negative unassigned fund balance in the prior year audit report.

Bank Reconciliations

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

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

Bank reconciliations selected included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

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

The were no reconciling items that have been outstanding for more than 12 months from the statement closing date.

Collections

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

Management provided the requested information, along with management's representation that the listing is complete.

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

Management provided the requested information, along with management's representation that the listing is complete.

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

Cash drawers/registers are not used, due to no currency being collected.

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

The employee responsible for collecting cash prepares the deposit slip; however another employee is responsible for reconciling collection documentation to the deposit.

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

The employee responsible for collecting cash is not responsible for posting collection entries to the general ledger.

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

The employee responsible for reconciling cash collections to the general ledger is not responsible for collecting cash..

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

The Commission has a crime policy which includes coverage for employee theft.

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

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

The Commission does not write receipts for collections because the Commission does not have any actual cash collections. For the deposits selected for testing, the deposit slip total was located on the bank statement, and the actual deposit was traced to the general ledger.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

The Commission's written policies and procedures and employee job duties provide for segregation of duties as noted above, except as noted below:

Exception: The employee responsible for processing payments receives the signed checks back for mailing.

Management's Response: The Commission will consider having an individual who is not involved in the payment process receive and mail the checks.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Management provided the requested information, along with management's representation that the listing is complete. For the transactions selected for testing, the disbursement matched the related original invoice, included supporting documentation indicating deliverables were received by the District.

Exception: The employee responsible for processing payments receives the signed checks back for mailing.

Management's Response: The Commission will consider having an individual who is not involved in the payment process receive and mail the checks.

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

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

Management provided the requested information, along with management's representation that the listing is complete.

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

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

For each card selected for testing, there were attributes indicating that someone other than the authorized card holder reviewed and approved the monthly statements and supporting documentation for the items selected for testing.

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

None of the statements selected for testing contained finance charges and or late fees.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, report whether the transaction is supported by:

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

Transactions tested were supported by original itemized receipts.

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

Transactions tested were supported with the business purpose documentation

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

Transactions tested were supported by documentation of individuals participating in meals.

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

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

a) If reimbursed using a per diem, observe 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).

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

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

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

Management provided the requested information, along with management's representation that the listing is complete.

Management provided the requested information, along with management's representation that the listing is complete.

Per diem rates used were within U.S. General Services Administration rates. The reimbursements selected for testing were for actual costs and were supported by an original itemized receipt that identified what was purchased, supported by documentation of business purpose, and was reviewed and approved, in writing, by someone other than the person receiving the reimbursement, except as noted below:

Exception: For one transaction tested, the per diem rate used was more than the established U.S. General Service Administration rate (GSA).

Management's Response: In the future, the Commission will ensure that the correct GSA rates are used for travel.

Contracts

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

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

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

c) If the contract was amended (e.g., change order), observe 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, was approval documented).

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

The contracts selected for testing were bid in accordance with the Louisiana Public Bid Law, as applicable, were approved by the governing board. The payments selected for testing were supported by an invoice, which agreed with contract terms. None of the contracts selected for testing were amended.

Payroll and Personnel

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

Management provided the requested information, along with management's representation that the listing is complete. For the 5 employees selected for testing, the paid salaries agreed with the authorized salaries/pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

Daily attendance and leave was documented for the employees selected for testing.

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

For the transactions selected for testing, supervisors approved the attendance and leave.

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

For the transactions selected for testing, leave taken was reflected in the Commission's cumulative leave records.

- d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

For the transactions selected for testing, the rate of pay to the employees agreed to the authorized salary/pay rate found within the personnel file.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

The Commission did not pay out any termination payments during the fiscal period.

19. 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.

Management provided representation that employer and employee portions of third party payroll related amounts, including payroll taxes, retirement contributions, health insurance premiums, garnishments, and workers' compensation premiums, have been paid, and any associated forms have been filed, by required deadlines.

Ethics

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

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

The Commission maintained documentation to demonstrate that required ethics training was completed.

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

The Commission did not make any changes to the ethics policy during the fiscal period.

Debt Service

21. 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 State Bond Commission approval was obtained for each debt instrument issued.

The Commission did not issue any debt during the fiscal period.

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

The Commission did not have any outstanding debt during the fiscal period.

Fraud Notice

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

The Commission's management represented that there were no misappropriations of public funds and assets during the fiscal period.

24. Observe 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

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

Information Technology Disaster Recovery/Business Continuity

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

a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

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

c) 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.

We performed the procedures and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

Exception: Employees of the Commission did not obtain the required sexual harassment training.

Management's Response: The Commission will implement procedures for ensuring that employees obtain sexual harassment training in the future.

27. Observe 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).

Exception: The Commission does not have a sexual harassment policy and complaint procedure on its website.

Management's Response: The Commission will post its sexual harassment policy and complaint procedure on its website.

28. 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 it includes the applicable requirements of R.S. 42:344:

a) Number and percentage of public servants in the agency who have completed the training requirements;

b) Number of sexual harassment complaints received by the agency;

c) Number of complaints which resulted in a finding that sexual harassment occurred;

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

e) Amount of time it took to resolve each complaint.

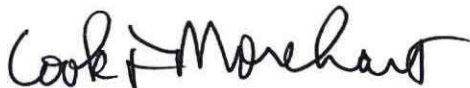
Exception: The Commission did not complete the required report for the current fiscal period.

Management's Response: The Commission will complete the required report.

We were engaged by North Louisiana Criminalistics Laboratory Commission, 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 North Louisiana Criminalistics Laboratory Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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



Cook & Morehart
Certified Public Accountants
June 27, 2022