

Financial Report

Lafourche Council on Aging, Inc.
Raceland, Louisiana

June 30, 2023



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Lafourche Council on Aging, Inc.
Raceland, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Council on Aging, Inc., Raceland, Louisiana, (the Council) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2023, and the respective changes in financial position and 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council, 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 the Council'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council'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 (page 4 through 22) and budgetary comparison information (pages 65 through 68) 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 Council's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other 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 combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



T.S. Kearns & Co., CPA
Thibodaux, Louisiana
December 20, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Council on Aging, Inc.

Fiscal Year Ended June 30, 2023

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

Financial Highlights

- The Council showed a decrease in overall net position of \$30,752, or about 1%.
- Net investment in capital assets of the Council decreased by \$81,730, or about 40%.
- Administrative expenses decreased by \$24,714, or about 4%.
- The unassigned fund balance for the Council's General Fund decreased by \$162,458 this year, which is about a 4.5% decrease from last year.
- Fund revenues increased by \$339,804, or about 13%.
- Fund expenditures decreased \$82,035, or about 2.6%.
- No deficit fund balances existed at year-end.
- The Council has no long-term debt.

How to Use This Annual Report

The Council's annual financial report consists of six parts:

- (1) Management's discussion and analysis (this section),
- (2) The basic financial statements (government-wide, fund, and footnotes),
- (3) Supplementary financial information required by GASB 34,
- (4) Supplementary financial information for GOEA analysis,
- (5) Supplementary financial information required by Louisiana law, and
- (6) Auditors' reports.

The government-wide financial statements, which consist of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B), provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The Council's auditor has provided assurance in his independent auditor's report, located immediately before this Management's Discussion and Analysis (MD & A), that the Basic Financial Statements are fairly stated. The auditor also mentions in his report that he has performed limited procedures about the MD&A and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (specifically, GASB Statement 34) in this reporting package but did not audit them and therefore expresses no opinion on them. Finally, the auditor states in his report that he has applied certain audit procedures to the supplementary financial information presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA) and a supplementary schedule of compensation, benefits, and other payments made to the Council's executive director as required by Louisiana law, and that this supplementary financial information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 77 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views of the Council, along with notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements (Exhibits A and B) are prepared using the *accrual* basis of accounting and are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private sector business. When using these financial statements, the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements found on page 24 and 25 report the Council's net position and changes in them. However, to assess the overall financial position of the Council,

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

the user must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year-end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities. In these statements all changes in net position are reported as soon as the underlying events giving rise to the changes occur regardless of when cash is received or paid. Thus, revenues and expenses are reported for some items that will only affect cash flows in future fiscal periods.

All of the Council's significant activities are reported in the Statement of Activities (Exhibit B), including a *Health, Welfare, and Social Services* function and an *Administration* function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive services, nutritional services, family caregiver support, disease prevention and health promotion, and senior citizens center operations. There is also a line item for *Other Services and Activities*, which consists of a variety of services that individually do not represent very large expenses.

All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity might be classified as a business-type activity. The Council does not have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (Exhibits C and D) focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Accordingly, the governmental funds use the *modified accrual* basis of accounting. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund balance sheet (Exhibit C) presents a reconciliation between net position of governmental activities and fund balances of the governmental funds. A reconciliation between the change in fund balances for the governmental funds and the change in net position for the governmental activities is presented in Exhibit E. These two reconciliations will facilitate the comparison between governmental activities and fund operations.

The Council uses two types of governmental funds: (1) general fund and (2) special revenue funds.

The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from a property tax, some GOEA grants, and public donations. General funds are often transferred to special revenue funds to help pay for expenditures that exceed their primary revenues.

All other funds are special revenue funds that are used to account for the proceeds of specific revenue sources which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues. The special revenue funds have no fund balance at year-end because all revenue received is expended in the same year.

The Council has presented the General Fund, Title III B Fund, Title III C-1 Fund, and Title III C-2 Fund as *major* governmental funds. All *nonmajor* governmental funds are presented in one column on the fund financial statements, titled *Nonmajor Funds*. A combining Schedule of Revenues, Expenditures, and Changes in Fund Balance of the nonmajor governmental funds can be found on page 73. Major funds are those whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which management subjectively believes is important to the Council's financial statement users. For this year, management did not elevate any nonmajor fund to major fund status.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 30 of this report. They should be read before making assumptions or conclusions about the Council's financial condition.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 65 to 68). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package (after the independent auditor's opinion) and not with the other RSI, which is included later in this reporting package beginning on page 65.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about nonmajor governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (see pages 73 and 74).

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513 A (3) to require a supplementary Schedule of Compensation, Reimbursements, Benefits, and Other Payments to the Council's Executive Director (see page 76). This information is designed to permit the public to see what the agency's head has been paid or reimbursed during the year. The objective

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

is to make the Council's expenditures more transparent.

ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Current and Other Assets:				
Current Assets	\$ 3,940,145	\$ 3,988,669	\$ (48,524)	-1.22%
Other Assets	7,545	7,545	0	0.00%
Capital Assets, net of depreciation	<u>121,017</u>	<u>202,747</u>	<u>(81,730)</u>	<u>-40.31%</u>
Total Assets	<u>4,068,707</u>	<u>4,198,961</u>	<u>(130,254)</u>	<u>-3.10%</u>
Current Liabilities	<u>145,934</u>	<u>245,436</u>	<u>(99,502)</u>	<u>-40.54%</u>
Total Liabilities	<u>145,934</u>	<u>245,436</u>	<u>(99,502)</u>	<u>-40.54%</u>
Net Position:				
Net Investment in Capital Assets	121,017	202,747	(81,730)	-40.31%
Restricted	1,347	1,179	168	14.25%
Unrestricted	<u>3,800,409</u>	<u>3,749,599</u>	<u>50,810</u>	<u>1.36%</u>
Total Net Position	<u>\$ 3,922,773</u>	<u>\$ 3,953,525</u>	<u>\$ (30,752)</u>	<u>-0.78%</u>

As noted earlier, *net position* may serve over time as a useful indicator of the Council's financial position. The Council's net position at the end of this year was \$3,922,773, whereas net position as of the end of last year was \$3,953,525. The net position amount as of June 30, 2023 represents a decrease of about 1% from last year. This decrease is an indication that the Council's financial position has declined slightly.

About 97% of the Council's net position is *unrestricted* at the end of this year which is slightly higher than last year. Unrestricted assets are important because they provide management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by governmental agencies.

Restricted net position is less than 1% of total net position as of June 30, 2023 and 2022. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The *net investment in the capital assets* portion of net position is presented net of any related outstanding debt to acquire them. However, there is no debt to be subtracted from the capital assets. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about 3% of total net position at the end of this year which is less than last year. This decrease is due to depreciation expense being \$81,730 more than capital asset additions.

Current assets decreased by \$48,524 this year. At June 30, 2023 about 92% of the Council's current assets are in cash. The Council's cash at June 30, 2023 is \$163,745 less than cash at June 30, 2022.

The table on the next page illustrates a summarized or condensed presentation of the revenues and expenses that caused the change in net position for FY 2023 and FY 2022, respectively.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Condensed Statement of Activities

<u>REVENUES</u>	2023	% of 2023 Total	2022	% of 2022 Total	Increase (Decrease)
Program Revenues:					
Operating Grants and Contributions	\$ 1,007,368	33.05%	\$ 969,434	36.43%	\$ 37,934
Capital Grants and Contributions	0	0.00%	0	0.00%	0
Charges for Services	328	0.01%	381	0.01%	(53)
General Revenues:					
Property Taxes, net of pension withholding	1,684,746	55.27%	1,450,653	54.51%	234,093
Unrestricted Grants and Contributions	220,344	7.23%	199,723	7.50%	20,621
LWCC Dividends	35,434	1.16%	34,570	1.30%	864
Interest Income	98,041	3.22%	6,194	0.23%	91,847
Miscellaneous Income	1,823	0.06%	472	0.02%	1,351
Total Revenues	\$ 3,048,084	100.00%	\$ 2,661,427	100.00%	\$ 386,657
<u>EXPENSES</u>					
Supportive Services	1,432,152	46.52%	1,487,945	45.78%	(55,793)
Nutrition Services	944,700	30.68%	1,009,789	31.07%	(65,089)
Family Caregiver Support	48,676	1.58%	48,229	1.48%	447
Disease Prevention and Health Promotion	7,840	0.25%	3,433	0.11%	4,407
Senior Citizens Center Operations	28,064	0.91%	7,618	0.23%	20,446
Hurricane Ida Relief	0	0.00%	77,094	2.37%	(77,094)
Other Services and Activities	62,345	2.02%	36,229	1.11%	26,116
Direct Administrative Expenses	555,059	18.03%	579,773	17.84%	(24,714)
Total Expenses	\$ 3,078,836	100.00%	\$ 3,250,110	100.00%	\$(171,274)
Increase (Decrease) in Net Position	(30,752)		(588,683)		\$ 557,931
Net Position beginning of the year	3,953,525		4,542,208		
Net Position end of the year	\$ 3,922,773		\$ 3,953,525		

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Governmental activities decreased the Council's net position by \$30,752 this year, whereas it decreased net position by \$588,683 last year.

The largest source of revenue in both years was from a local **property tax**. The gross proceeds of the property tax were \$1,740,058 for 2023 (\$1,496,389 for 2022). However, the Lafourche Parish Sheriff withheld \$55,312 (\$45,736 for 2022) of the gross proceeds to pay for the Council's pro-rata share of various retirement plan expenses for other governmental agencies. As a result, the Council received *net* property tax proceeds of \$1,684,746 (\$1,450,653 for 2022). This \$234,093 increase in property tax revenue is attributable to an increase in property tax assessments (about \$143 million). Last year

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

property values had been assessed at lower values because of the damages done by Hurricane Ida. However, this year there were no major hurricanes and this allowed for higher valuations.

In the Statement of Activities (Exhibit B), the net proceeds of the property taxes have been presented as general revenues because this money can be used to benefit any of the Council's programs. Furthermore, management has elected to offset the gross property tax amount with the amount kept by the Sheriff rather than add it to the Council's administrative expenses because it is not a true administrative expense of the Council.

In both years, the second largest source of revenue is comprised of **operating grants and contributions**. These revenues must be used for the purposes for which they were given or granted to the Council. There was a slight increase (\$37,934 or about 4%) in this type of revenue this year. Even though the net increase seems small, there were significant increases and decreases in the components of this revenue category worth mentioning. For example, the Council did not receive any CARES Act grant funds this year compared to last year (a \$48,085 decrease), but it received American Rescue Plan (ARP) grant funds this year (an increase of \$163,513) to more than offset the loss of the CARES Act funds. The increase in ARP funds also helped to soften the blow due to the loss of a significant public donation. Last year the Bayou Community Foundation donated \$150,000 to help the Council with its programs after Hurricane Ida. This year, the Council did not receive a similar donation. The Council also received \$46,254 more in Senior Center grant funds and \$27,775 more in client contributions this year.

Interest income is a revenue source that had a significant increase this year, which was because of rapidly rising interest rates being paid on the Council's LAMP (savings) account. At the end of this year the interest rate was 5.1% whereas last year it was 1.44%, an increase of 3.66%. The Council had about 2.6 million on the average in its LAMP account during this year.

The expenses in the table above have been presented by primary programs. In presenting this information, only direct program expenses are shown. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year. The expense allocations are a good indication of the demand for each type of service. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs.

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest program activities are supportive services and nutrition services. Accordingly, management allocates funds to these programs because that is where there is the greatest demand. Last year, the Council had some significant expenses associated with damages caused by Hurricane Ida, but it

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

did not have any similar expenses this year because there were no major hurricanes that passed through Lafourche Parish.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*. The Council's ability to support all governmental activities rely heavily on general revenues, particularly the local property tax. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the property tax revenues and unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows for management discretion as to how to use them to pay for the Council's current services, as well as reallocating them to meet changing demands.

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration costs from year-to-year, as well as calculating the percentage administration expenses bear in relation to total expenses and total revenues. For this year, total administration expenses were \$555,059, or about 18% of total expenses and 19% of total revenues. Whereas, last year administration expenses were \$579,773, or about 18% of total expenses and 21.8% of total revenues. These percentages are within the range that management expected and are better than the average for a typical council on aging. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$3,709,301. The Council's total General Fund balance decreased by \$70,252 during the current fiscal year, while the combined fund balances of the special revenue funds had no change for the year. The unassigned fund balance component of the General Fund was \$3,574,208 and is available for spending at management's discretion. The remainder of the General Fund balance is split between nonspendable (\$127,722), restricted (\$1,347) and assigned (\$6,024).

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Revenues

The combined fund revenues increased by \$339,804 this year versus last year, as shown in the table below.

	FY 2023	% of 2023 Total	FY 2022	% of 2022 Total	Increase / (Decrease)	
					Amount	Percent
Property Taxes	\$ 1,644,155	54.67%	\$ 1,456,915	54.61%	\$ 187,240	12.85%
Intergovernmental	1,085,029	36.08%	907,567	34.02%	177,462	19.55%
Public Support	142,683	4.74%	261,590	9.81%	(118,907)	-45.46%
Program Service Fees	328	0.01%	381	0.01%	(53)	-13.91%
Interest Income	98,041	3.26%	6,194	0.23%	91,847	1482.84%
LWCC Dividend	35,434	1.18%	34,570	1.30%	864	2.50%
Miscellaneous	1,823	0.06%	472	0.02%	1,351	286.23%
Total Revenues	\$ 3,007,493	100.00%	\$ 2,667,689	100.00%	\$ 339,804	12.74%

Property tax revenue increased by \$187,240 this year because the assessed value of taxable property increased by \$143,396,616. The reason for the significant increase in assessed value is because last year Hurricane Ida passed through Lafourche Parish and caused huge amounts of damages to properties. The Parish Assessor granted disaster relief to those who had damage by reducing the assessed values for the 2021 property tax. However, in this fiscal year there were no similar hurricanes and property values were reassessed and the disaster relief was not granted again. As a result, this year's property tax revenue increased.

Intergovernmental revenues increased by \$177,462 due to multiple reasons. First, ARP grants were \$163,513 more than last year. Second, the Council received \$46,254 more in Senior Center grant funds. Third, the Council earned \$13,505 from a new grant this year for the STPH program. These gains were offset by the Council not receiving any CARES Act funds this year whereas it received \$48,085 last year.

Public support decreased this year by \$118,907 primarily because last year the Council received a \$150,000 one-time donation from Bayou Community Foundation to provide the Council funds to help victims of Hurricane Ida that it did not get again this year. The loss of this large donation was offset because client contributions increased from last year by \$27,775. The Council has no control over this type of revenue because it is voluntarily given.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Program service fees decreased this year by \$53. This revenue source is an extremely small component of overall revenues each year and does not require much discussion.

Interest income increased this year by \$91,847 due to rising interest rates in comparison to the previous year.

LWCC Dividend income was about the same as last year. The Council has no control over this source of revenue and accepts whatever LWCC pays each year as a dividend.

Miscellaneous income is not a significant revenue category and does not require any explanation.

Expenditures

Total expenditures decreased by \$82,035 this year, as shown in the table below.

	% of 2022		% of 2023		Increase / (Decrease)	
	2023	Total	2022	Total	Amount	Percent
Personnel	\$ 1,461,503	47.49%	\$ 1,465,362	46.38%	\$ (3,859)	-0.26%
Fringe	518,104	16.83%	475,799	15.06%	42,305	8.89%
Travel	62,146	2.02%	61,099	1.93%	1,047	1.71%
Operating Services	224,802	7.30%	207,903	6.58%	16,899	8.13%
Operating Supplies	150,118	4.88%	139,982	4.43%	10,136	7.24%
Other Costs	84,307	2.74%	76,691	2.43%	7,616	9.93%
Full Service	152,774	4.96%	134,673	4.26%	18,101	13.44%
Meals	348,142	11.31%	419,640	13.28%	(71,498)	-17.04%
Utility Assistance	10,789	0.35%	5,065	0.16%	5,724	113.01%
Specific Assistance - Individuals	740	0.02%	188	0.01%	552	293.62%
Hurricane Ida Relief Supplies	0	0.00%	41,368	1.31%	(41,368)	-100.00%
Lawsuit & Claims Settlements	0	0.00%	41,382	1.31%	(41,382)	-100.00%
Capital Outlay	9,008	0.29%	44,892	1.42%	(35,884)	-79.93%
Intergovernmental	55,312	1.80%	45,736	1.45%	9,576	20.94%
	<u>\$ 3,077,745</u>	<u>100.00%</u>	<u>\$ 3,159,780</u>	<u>100.00%</u>	<u>\$ (82,035)</u>	<u>-2.60%</u>

This year's **personnel expenditures** decreased by \$3,859 or less than 1%. During this year the Council awarded cost of living and merit raises but the raises were more than offset by a reduction in the overall workforce of the Council. This year the Council employed 80 full and parttime employees whereas last year it was 89 employees.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The increase of \$42,305 in **fringe benefit expenditures** this year resulted primarily from increases in health insurance costs (\$31,869) and workman's compensation insurance (\$11,001).

Travel expenditures are mainly comprised of the Council reimbursing employees for using their personal cars for Council related service deliveries. This year's travel expenditures are \$1,047 more than last year, which is only a 1.71% increase. This means travel was almost identical to last year.

Operating service expenditures experienced changes throughout all subcategories with a net increase of \$16,899. This overall increase is comprised of three main subcategory increases relating to insurance premiums (\$7,971), equipment maintenance (\$4,221), and rent (\$4,735).

Operating supplies expenditures increased \$10,136 this year due to increases in vehicle fuel costs (\$23,461) and office supplies (\$6,685). Fuel costs increased because the price of gasoline increased nationwide. These cost increases were offset by a large decrease in operating supplies (\$20,011). Last year the Council spent more to replace operating supplies after Hurricane Ida, whereas this year there were no hurricanes.

Other costs increased \$7,616 this year primarily because of multiple reasons. First, the Council paid \$2,500 for land appraisal. The Council was investigating buying land to build a multi-purpose facility and had the property appraised. Second, the Council spent \$5,653 for a special election to amend the wording in its property tax millage to allow the Council to purchase land and construct a building on the land. Third, the Council hired a janitorial service to clean its main office this year and spent \$3,128. Fourth, this year the Council spent \$4,067 more towards senior citizen activities. This year the Council held its annual *Spring Fling*, whereas last year it did not. Fifth, the Council spent \$3,006 more in computer consulting fees, \$1,255 more in dietician fees, and \$1,125 for its health fair this year. These expenditure increases were offset by lower bank charges (\$4,320) and training costs (\$2,668). In addition, last year the Council spent \$6,340 this year installing 10 power poles inside its main office to enable its staff to work following Hurricane Ida, whereas there were no similar storms this year.

Full-service expenditures increased this year by \$18,101 primarily because the Council increased personal care services (\$14,552) and wellness services (\$4,407). These increases were offset because medic alert costs decreased \$1,078 this year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Meal expenditures decreased by \$71,498 this year mainly because last year the Council spent \$73,691 for frozen meals whereas this year it did not purchase very many frozen meals. Emergency meal costs were also \$8,438 less this year versus last year.

The overall total of congregate and home-delivered meals served this year did not change much from last year (105,913 this year vs 108,117 last year). This year congregate (C-1) meals served were 15,169 versus 4,757 last year. The reason last year's total was much less is because the meal sites were only open from February through June whereas they were open a full year in fiscal year 2023. In contrast, this year's home-delivered (C-2) meals, including *drive-by* meals, were 90,744 versus 103,360 last year. In breaking down the total home-delivered meals this year versus last year, the components are as follows:

- 2023 home-delivered meals were 68,409 whereas the 2022 total was 81,394
- 2023 COVID-19 or *drive-by* meals were 22,335 whereas the 2022 total was 21,966

Drive-by meals allow a participant to drive to a meal site and pick up a meal and take it home to eat rather than remain at the center. This option was started as a result of COVID-19 and has remained popular with the participants. Management is concerned that if this trend continues and people do not return to eat at the centers then the center may have to be closed due to lack of participation.

Utility assistance expenditures increased by \$5,724 this year primarily because the Council simply provided more financial assistance in this area in 2023 than it did in 2022. This type of expenditure increases or decreases based on the demand for this service each year.

Specific assistance to individuals increased \$552 this year simply because demand for this service increased when compared to last year.

Hurricane Ida relief supplies represents the cost of household and cleaning supplies that the Council distributed to residents of Lafourche Parish after the hurricane in August 2021. This expenditure was new last year and was not expected to reoccur.

Lawsuit and claims settlements decreased \$41,382 this year because the Council had no claims against it this year. In past years the Council had a \$75,000 deductible on its vehicle liability insurance so it had to pay settlements out-of-pocket from time-to-time. However, the Council changed how it insures against vehicle liability beginning January 1, 2023. Rather than participating with Lafourche Parish's high deductible plan, the Council has obtained its own insurance and now has no deductible for vehicle liability coverage.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Capital outlay expenditures decreased \$35,884 this year when compared to last year. Capital outlays vary from year-to-year based on the needs of the Council. The details of this year's activity have been discussed in the Capital Asset and debt Administration section of this MD&A.

Intergovernmental expenditures increased \$9,576 this year. The Council's management has no control over this expenditure, which represents the Council's pro-rata share of the costs of retirement plans of other governmental entities. As the amount of property tax revenue increases or decreases so does this intergovernmental expenditure. Property tax revenue increased this year so this is why intergovernmental expenditures also increased.

AN ANALYSIS OF THE GENERAL FUND BUDGET

The budget was amended twice during the year. The primary reasons for amending the budget were to prevent compliance violations under the Council's grants from GOEA and to consider the effects of unexpected increases and decreases in revenues, expenditures, and transfers.

The budgetary comparison schedule for the General Fund is on page 65. When you review this schedule, you will note that the original budget forecasted an excess of expenditures and other uses over revenues and other sources of \$503,326, whereas the final, amended budget decreased this forecasted deficit to \$230,999.

The noteworthy changes between the original budget and the amended budget are as follows:

- Property tax revenues were increased by \$282,942 when the amended budget was prepared because the Council was able to use actual property tax assessments rather than estimated amounts. When the original budget was prepared the Council used last year's information to be conservative but realized more accurate data would be forthcoming for the amended budget at a later date.
- When the original budget was prepared the Council forecasted \$42,820 in MIPPA contract revenue but realized the number of units of service to be provided would be less and therefore lowered its MIPPA revenue expectation to \$24,615, which is an \$18,205 decrease.
- During the year the Council committed to buy four vehicles under an FTA/DOTD program whereby the Council would only have to pay a portion of the total cost of the vehicles. So, the Council added a line item to show the portion (\$480,119) of the vehicles' cost that the federal government would be paying.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

- Restricted public support had to be amended to reflect a decrease of \$81,833. Last year the Council received a significant donation from one donor but the donation was only for one year and did not reoccur. Because public support is purely voluntary and donations can be made at any time, the Council can only make a good faith estimate when the original budget is prepared.
- When the original budget was prepared, interest rates were about 1.4% but then they increased. As a result, the budget for interest income as increased by \$69,075.
- On the expenditure side of the budget, the Council removed a line item to account for Hurricane Ida relief supplies of \$86,000.
- Capital outlay expenditures were amended to reflect an increase of \$530,941, which reflects the amount the Council expected to expend to acquire four vehicles.
- Intergovernmental expenditures were not included in the original budget but when the actual property tax data became available, the Council was able to add \$55,312 for this line item.

When the amended budget's operating deficit (\$230,999) is compared to the actual results (\$70,252) for the year, a net favorable variance of \$160,747 is produced. There were multiple reasons for this overall favorable operating variance, which are detailed below.

- Intergovernmental grant revenues from GOEA funded grants were, in the aggregate, \$9,992 more than forecasted. This occurred mainly because of a new STPH grant that the Council did not know about when the budget amendment was prepared.
- The matching funds (\$480,119) from the federal government to help buy four vehicles did not materialize because the vehicles were not received by year-end. When the amended budget was prepared the Council estimated the vehicles would be received by year-end. The grant revenue associated with acquiring vehicles under this capital acquisition program are not recognized until the vehicles are actually received. This is because the contract could be delayed or canceled.
- Property tax revenue was \$118,244 less than forecasted. This is because \$103,020 of the property tax revenue was not collected in time to be recognized as current year revenue plus adjustments were made by the assessor to the original forecasted revenue, which reduced the actual revenue.
- Interest income was \$25,825 more than forecasted because interest rates paid on money in the LAMP account kept rising after the amended budget was prepared.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

- Dividends received from LWCC (worker's compensation) were \$35,434 more than forecasted. When the amended budget was prepared this source of revenue was not considered.
- The various operating expenditures, in the aggregate, were \$613,534 less than forecasted resulting in a favorable variance with the amended budget. The main reason for this large difference is because capital outlay expenditures were \$631,089 less than forecasted. This was due to the Council not receiving the four vehicles that it had committed to purchase during the year.
- The differences in the amended budget's current operating expenditures and actual were not very significant. Overall, they netted out to an unfavorable variance of \$8,547, in the aggregate, and require no further discussion.
- Transfers out to other programs and funds were \$73,725 less than anticipated as a result of several areas of expenditures in the special revenue funds being less than expected.

The remaining favorable and unfavorable variances within the General Fund are well within the expectations of management and require no further explanation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Council's investments in capital assets for its governmental activities as of the end of this year and last year are illustrated in the following table.

Capital Assets, Net of Depreciation

	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Vehicles	\$ 108,616	\$ 195,228	\$ (86,612)
Furniture and equipment	12,401	7,519	4,882
	<u>\$ 121,017</u>	<u>\$ 202,747</u>	<u>\$ (81,730)</u>

This year the Council purchased four (4) heater proofer cabinets (total cost was \$9,008). These cabinets allow you to hold prepared foods at proper serving temperatures for extended periods of time. The Council also disposed of its phone system and began using cell phones instead. At year-end, the Council owned twenty-two vehicles, sixteen of which are fully depreciated. Management has recognized the vehicle fleet is aging and has committed to buy four new vehicles for next year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The vehicles will be purchased as part of an FTA program wherein the Council only pays a portion of the cost (20%) and the federal government pays for the remainder. At year-end the Council has already remitted its share (\$77,506) of the matching funds towards the purchase of all four vehicles.

The increase/decrease column in the chart above considers the cost of the capital asset purchases, minus dispositions of capital assets and related depreciation of the capital assets.

Debt Administration

The Council has no long-term debt. Management does not like to incur debt as a matter of good financial stewardship.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives the large majority of its annual funding from federal and state agencies and from a local property tax. This source of income for the Council has been rather steady over the years for the Council. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council and appropriations made by the state and federal governments, therefore, revenues could vary from year-to-year. Presently, there have been no significant adverse changes to the funding levels or terms of the Council's primary grants and contracts for next year. In addition, an unexpected occurrence such as a major hurricane could damage properties in the Parish and result in lower property tax revenue as was the case in FY 2022.

Management has initially budgeted \$3,522,896 in revenues and \$3,982,546 in expenditures for the Council's programs in FY 2024 producing an excess of expenditures over revenues of \$459,650. However, the Council has a sufficient unassigned fund balance that allows it to budget this deficit. There are no plans to add or terminate any main-stream programs in FY 2024. In addition, because the initial FY 2024 budget is essentially a copy of the amended FY 2023 budget, the Council realizes that amendments will be necessary. Management monitors the Council's budgeted revenues and expenditures each month and will amend the budget sometime in the latter part of FY 2024. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's initial budget for next year.

The Council has purchased land in FY 2024 for \$220,000 and management's goal is to build a multi-purpose facility on the land in a future year. The Council has had to relocate many times over the years and management is hoping to find a permanent home for the Council to serve the Parish's senior citizens. Presently, management has forecasted a new facility will probably cost between \$2,000,000 and \$2,500,000. Discussions have been held with the Council's finance committee and

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

revenues are being forecasted in an effort to find a way to pay for the facility without having to borrow money.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact:

Charlene R. Rodriguez, Executive Director
238 Bowie Road
Raceland, LA 70394
985-532-0457 or lafcoadirector@viscom.net

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit A

Statement of Net Position
Lafourche Council on Aging, Inc.
Raceland, Louisiana
June 30 , 2023

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash and Investments	\$ 3,624,122
Receivables:	
Lafourche Parish Sheriff - property taxes	146,541
GOEA - MIPPA contract	49,305
Prepaid expenses	120,177
Total current assets	3,940,145
Workman's compensation insurance security deposit	7,520
Storage unit deposit	25
Capital assets, net of accumulated depreciation	121,017
Total Assets	<u>4,068,707</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	54,073
Advances from funding agency - GOEA	14,992
Unearned revenue	28,904
Payroll withholdings	5,043
Compensated absences	42,922
Total current liabilities	<u>145,934</u>
<u>NET POSITION</u>	
Net investment in capital assets	121,017
Restricted for utility assistance	1,347
Unrestricted	3,800,409
Total Net Position	<u>\$ 3,922,773</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Statement of Activities

Lafourche Council on Aging, Inc.
 Raceland, Louisiana
 For the year ended June 30, 2023

Functions/Programs				Program Revenues		Net Revenue (Expense) and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation	\$ 787,787	\$ 181,803	\$ 328	\$ 111,601	\$ 0	\$ (857,661)
Homemaker	478,738	124,493	0	55,445	0	(547,786)
Legal Assistance	5,202	0	0	5,202	0	0
Information and Assistance	36,106	9,389	0	2,765	0	(42,730)
Material Aid	4,765	1,239	0	365	0	(5,639)
Medical Alert	5,926	0	0	454	0	(5,472)
Outreach	6,243	1,623	0	478	0	(7,388)
Utility Assistance	21,639	2,343	0	5,357	0	(18,625)
Personal Care	85,746	0	0	85,746	0	0
Nutrition Services:						
Congregate Meals	282,840	59,519	0	164,701	0	(177,658)
Home Delivered Meals	661,860	94,005	0	381,566	0	(374,299)
Family Caregiver Support	48,676	157	0	48,837	0	4
Disease Prevention and Health Promotion	7,840	0	0	7,840	0	0
Senior Citizens Center Operations	28,064	7,234	0	35,491	0	193
Other Services and Activities	62,345	9,798	0	38,065	0	(34,078)
Administration	555,059	(491,604)	0	63,455	0	0
Total governmental activities	\$ 3,078,836	\$ 0	\$ 328	\$ 1,007,368	\$ 0	\$ (2,071,140)
General Revenues:						
Property taxes, net of \$55,312 withheld by the Sheriff for pensions					1,684,746	
Grants and contributions not restricted to specific programs					220,344	
LWCC Dividends					35,434	
Interest Income					98,041	
Miscellaneous Income					1,823	
Total general revenues						2,040,388
Increase (Decrease) in net position						(30,752)
Net position - beginning of the year						3,953,525
Net position - end of the year						\$ 3,922,773

The accompanying notes to the basic financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**Fund Balance Sheet
Governmental Funds**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
June 30, 2023**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 3,552,616	\$ 13,572	\$ 4,414	\$ 27,994	\$ 25,526	\$ 3,624,122
Receivables:						
Lafourche Parish Sheriff - property taxes	146,541	0	0	0	0	146,541
GOEA - MIPPA contract	49,305	0	0	0	0	49,305
Prepaid expenditures	120,177	0	0	0	0	120,177
Workman's compensation insurance security deposit	7,520	0	0	0	0	7,520
Storage unit deposit	25	0	0	0	0	25
Total Assets	\$ 3,876,184	\$ 13,572	\$ 4,414	\$ 27,994	\$ 25,526	\$ 3,947,690
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	278	13,572	4,414	27,994	7,815	54,073
Advances from funding agency - GOEA	14,170	0	0	0	822	14,992
Unearned revenue	12,015	0	0	0	16,889	28,904
Deferred property tax revenue	135,377	0	0	0	0	135,377
Payroll withholdings	5,043	0	0	0	0	5,043
Total Liabilities	166,883	13,572	4,414	27,994	25,526	238,389
Fund Balances						
Nonspendable	127,722	0	0	0	0	127,722
Restricted for Utility Assistance	1,347	0	0	0	0	1,347
Assigned for Utility Assistance	6,024	0	0	0	0	6,024
Unassigned	3,574,208	0	0	0	0	3,574,208
Total Fund Balances	3,709,301	0	0	0	0	3,709,301
Total Liabilities and Fund Balances	\$ 3,876,184	\$ 13,572	\$ 4,414	\$ 27,994	\$ 25,526	

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

- Property tax revenue collected after August 31, 2023 is not considered "available" revenue in the governmental funds until it is received. Accordingly, it is considered a deferred inflow of resources. However, in the government-wide statements all property tax revenue is recognized in the year it is assessed irrespective of when it is collected.	135,377
- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	(42,922)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	121,017
Net Position of Governmental Activities	\$ 3,922,773

The accompanying notes to the basic financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>						
Intergovernmental	\$ 212,119	\$ 236,061	\$ 147,499	\$ 289,122	\$ 200,228	\$ 1,085,029
Property Taxes	1,644,155	0	0	0	0	1,644,155
Public Support (Restricted)	4,667	26,684	17,202	92,444	0	140,997
Public Support (Unrestricted)	1,686	0	0	0	0	1,686
Program Service Fees	0	328	0	0	0	328
Interest Income	98,041	0	0	0	0	98,041
LWCC Dividends	35,434	0	0	0	0	35,434
Miscellaneous	1,823	0	0	0	0	1,823
Total revenues	<u>1,997,925</u>	<u>263,073</u>	<u>164,701</u>	<u>381,566</u>	<u>200,228</u>	<u>3,007,493</u>
<u>EXPENDITURES</u>						
Health, Welfare, & Social Services:						
Current:						
Personnel	61,883	904,093	192,504	274,915	28,108	1,461,503
Fringe	25,102	356,071	59,916	72,598	4,417	518,104
Travel	27	19,087	769	42,119	144	62,146
Operating Services	14,900	141,918	25,457	40,134	2,393	224,802
Operating Supplies	16,024	110,445	6,333	17,007	309	150,118
Other Costs	19,019	42,870	7,052	14,475	891	84,307
Full Service	0	96,868	0	0	55,906	152,774
Meals	0	0	51,790	296,352	0	348,142
Utility Assistance	10,789	0	0	0	0	10,789
Specific Assistance to Individuals	740	0	0	0	0	740
Capital Outlay	9,008	0	0	0	0	9,008
Intergovernmental	55,312	0	0	0	0	55,312
Total expenditures	<u>212,804</u>	<u>1,671,352</u>	<u>343,821</u>	<u>757,600</u>	<u>92,168</u>	<u>3,077,745</u>
Excess of revenues over (under) expenditures	<u>1,785,121</u>	<u>(1,408,279)</u>	<u>(179,120)</u>	<u>(376,034)</u>	<u>108,060</u>	<u>(70,252)</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	0	1,408,279	179,120	376,034	0	1,963,433
Operating transfers out	<u>(1,855,373)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(108,060)</u>	<u>(1,963,433)</u>
Total other financing sources (uses)	<u>(1,855,373)</u>	<u>1,408,279</u>	<u>179,120</u>	<u>376,034</u>	<u>(108,060)</u>	<u>0</u>
Net increase (decrease) in fund balances	<u>(70,252)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(70,252)</u>
<u>FUND BALANCE (DEFICIT)</u>						
Beginning of year	<u>3,779,553</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,779,553</u>
End of year	<u>\$ 3,709,301</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,709,301</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ (70,252)
 Governmental funds do not recognize property taxes collected more than 60 days after year-end as revenue because the amounts were considered "not available" for use as of year-end. However, in the Statement of Activities, all property taxes that are assessed in the fiscal year are considered as revenue for the year irrespective of when the amounts will be collected.	 95,903
 Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This reconciling amount is the amount by which depreciation (\$90,738) exceeds capital outlay (\$9,008) in the current period.	 (81,730)
 Governmental funds do not report unpaid accumulated leave. However, the liability for unpaid accumulated leave is shown in the Statement of Net Position and the increase in the liability for the fiscal year has increased expenses in the Statement of Activities. The (increase) decrease in the liability is a reconciling amount.	 <u>25,327</u>
Increase (Decrease) of Net Position of Governmental Activities	<u><u>\$ (30,752)</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Lafourche Council on Aging, Inc.
Raceland, Louisiana
June 30, 2023

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies

The accounting and reporting policies of the Lafourche Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

a. Purpose of the Council on Aging:

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Lafourche Parish, Louisiana; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the Parish and state; to provide for the mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services with other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the elderly, and; to make recommendations relevant to the planning and delivery of services to the elderly of Lafourche Parish.

The primary services provided by the Council to the elderly residents of Lafourche Parish include transportation, homemakers, legal assistance, information and assistance, material aid, medical alert, outreach, utility assistance, personal care, congregate and

Exhibit F - Continued

home-delivered meals, family caregiver support, and disease prevention and health promotion.

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention to administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies as well as the policies and regulations established by GOEA.

The Lafourche Council on Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the governor of the State of Louisiana on November 7, 1973 and subsequently incorporated on June 14, 1974, under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 15 voluntary members who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. Any board member who has served two consecutive terms is ineligible to serve on the board of directors for one year. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of Lafourche Parish. Nominations to fill expiring terms of board members are made a few weeks before the Council's annual meeting in April by the Council's Development Committee. Additional nominations may also come from the general public. The members of the Council elect board members at the annual board meeting in April.

The Lafourche Parish Government (LPG) does not appoint a voting majority of the Council's board and the LPG does not intend to impose its will to affect the operations of the Council. Furthermore, the LPG does not provide any specific financial benefits and does not assume any specific financial burdens of the Council. As a result, the

Exhibit F - Continued

Council is not a component unit of the Lafourche Parish Government.

Membership in the Council is open at all times, without restriction, to all residents of Lafourche Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

Based on the criteria set forth in section 2100, *The Financial Reporting Entity*, of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. Accordingly, the Council has presented its financial statements as a special-purpose, stand-alone government by applying the provisions of section 2100 as if it were a primary government.

c. **Basis of Presentation of the Basic Financial Statements:**

The Council's basic financial statements consist of *government-wide* financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and *fund* financial statements, which report individual major governmental funds and combined nonmajor governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either *governmental or business* type. The Council's functions and programs have all been categorized as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Governmental activities are supported primarily by intergovernmental revenues and property taxes.

Exhibit F - Continued

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental-type activities. The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts as follows: (1) invested in capital assets, net of related debt, (2) restricted net position, (3) and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*. GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

In the Statement of Activities, *charges for services* represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. *General revenues* are reported separately from program related revenues because they are unrestricted as to their use or purpose. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. *Special items*, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence, and are separately reported below general revenues. The Council did not have any special items this year.

Fund Financial Statements:

The fund financial statements (Exhibits C and D) present financial information that is very similar to that which was included in the general-purpose financial statements issued by governmental entities before GASB Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the General Fund, which is the primary operating fund of the Council, or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, management did not elect to include any nonmajor fund as a major fund. The nonmajor funds are summarized by fund type into a single column in the fund financial statements.

Governmental fund equity is called the fund balance. Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and accordingly, the extent to which the Council is bound to honor them. They are as follows: nonspendable, restricted, committed, assigned and unassigned.

The following discussion is a description of the governmental funds of the Council.

Exhibit F - Continued

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following are brief descriptions of the programs and funding sources that comprise the Council's General Fund:

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Property tax revenues represent the largest component of the Council's local funding. Expenditures that are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Because of their unrestricted nature, local program funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these funds at its discretion in any program provided the program is benefitting people who are at least 60 years old. This year, the Council received this grant money into its General Fund and management transferred all \$100,000 of the PCOA funds to the Title III B Fund to subsidize that fund's program expenditures.

Unmet Needs Program

The Council provides financial assistance to persons who are at least 60 years old that are facing a serious financial or health emergency. The person must be a resident of Lafourche Parish and can receive financial assistance of up to \$200 per year. The money can be used to pay for rent, a doctor bill, or to make minor home repairs. However, in most cases, the Council buys supplies such as adult diapers, diabetic shakes and food bars, and protein drinks that will be given to the needy person. During this year, the Council expended \$740 in direct costs to help 3 people.

Area Agency Administration (AAA) Funding

Each fiscal year GOEA provides the Council with funds to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$47,691 of regular AAA funding and \$15,764 of American Rescue Plan (ARP) AAA funding, which have been received and accounted for in the Council's General Fund along with equal amounts of administrative expenditures. The amount of funding is not enough to pay for all the administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

Supplemental Senior Center Funding

The Louisiana Legislature appropriated money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. This year, the Council received \$10,599 of supplemental senior center funding from GOEA. Management can use its discretion as to how to spend this money, as long as the program benefits anyone at least 60 years old. This year management received this money into the Council's General Fund and then transferred it out to the Title III C-1 Fund to subsidize the costs of providing congregate meals.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The Council has a MIPPA program that provides educational and enrollment assistance to Medicare eligible people in the community. During the year, the Council provided 12 units of LIS or MSP enrollment assistance, 5 units of LIS or MSP follow-up, 434 units of Medicare Part D Counseling, 253 units of Medicare Part D enrollment, and 5 media events. For performing these services, the Council was paid \$24,560 by GOEA.

MIPPA activities are presented on Exhibit B as a component of the *Other Services and Activities* line item and on Exhibit D as a component of the General Fund.

FTA Funding for Vehicle Acquisition

The Council acquires vehicles purchased in part with federal funds under the Federal Transit Administration's (FTA) elderly and disabled persons transportation capital assistance program. The Louisiana Department of Transportation and Development (DOTD) coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. This year, the Council did not acquire any new vans using FTA grant funds.

Utility Assistance Program

The Council provides limited financial assistance to needy people in Lafourche Parish to help them pay past due utility bills. The maximum amount of assistance the Council usually provides in any one year to a person is \$200.

The public support revenues received for the program this year came from SLECA (\$167) and the City of Thibodaux (\$3,000). In addition, the Council *assigned* some General Fund money in prior years plus \$7,000 this year to buy fans for the elderly and provide utility assistance. At year-end \$6,024 of assigned funds remained unspent and will be carried over into the next fiscal year.

This year the Council assisted 51 different families with paying their utility bills. The Council also distributed 30 heaters and 15 fans to elderly people this year. Furthermore, the Council takes the applications (72 this year) for the Power to Care program and then refers the application to the Salvation Army who will then decide which people to give financial aid to as part of that utility program.

Other Services and Activities

The Council provides a variety of other services and activities that include:

- Assisting people at least 60 years old in applying for Social Security disability and food stamps;
- A health fair; and,
- Senior activities such as a spring crawfish boil and a 4th of July celebration.

Exhibit F - Continued

Other Services and Activities are included as part of various expenditure categories within the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D). However, on the government-wide Statement of Activities (Exhibit B) they have been combined and reported as a separate line item.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The Council has established several special revenue funds, which are designed to account for Title III grants. These grants originate at the federal level and are issued to the State of Louisiana's Governor's Office of Elderly Affairs (GOEA). GOEA matches a portion of the federal grant with state money and then passes the grant down to the local level (Lafourche COA). The Senior Center grant originates at the state level and is appropriated to GOEA for distribution to the Council.

The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or nonmajor governmental fund:

Major Governmental Funds:

Title III B Fund

The Title III B Fund accounts for funds that are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units the Council reported to GOEA that it provided during the fiscal year, are as follows:

Exhibit F - Continued

<u>Type of Service Provided</u>	<u>Units</u>
Homemaker	17,782
Information and Assistance	1,323
Legal Assistance	85
Material Aid	45
Medical Alert	184
Outreach	215
Transportation	16,716
Utility Assistance	139
Personal Care	4,185

The main sources of revenue that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging – Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$139,283).
- American Rescue Plan (ARP) grant funds from GOEA of \$96,778.
- Restricted, voluntary public support (\$26,684) from persons who actually received homemaker and transportation services.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Lafourche Parish. The Council maintains meal sites in Thibodaux, Raceland, Lockport, Larose, Ward 6, and Golden Meadow. During the year the Council reported to GOEA that it provided 15,169 congregate meals and 21 units of nutrition education. The main sources of revenue received this year that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging – Title III, Part C-1 – Nutrition Services* (\$116,557).
- American Rescue Plan (ARP) grant funds from GOEA of \$30,942.
- Restricted, voluntary public support (\$17,202) from those persons who received congregate meals.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council reported to GOEA that it provided 68,409 home-delivered meals plus 22,335 COVID-19

Exhibit F - Continued

meals (90,744 total) to eligible participants. The COVID-19 meals are also referred to as *drive-by* meals. These are meals that eligible participants can request and merely drive to a meal site and pick them up and take them home. This option originated during COVID 19 and has remained a popular option among the elderly.

The main sources of revenue received this year that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services* (\$134,602).
- American Rescue Plan (ARP) grant funds from GOEA of \$72,346.
- Restricted, voluntary public support (\$92,444) from those persons who received the home-delivered meals.
- *Nutrition Services Incentive Program* (NSIP) grant funds (\$82,174) provided through GOEA to supplement the home-delivered meals program. Any food that is purchased for use in this nutrition program using NSIP funds must be of United States origin or be commodities from the United States Department of Agriculture.

Nonmajor Governmental Funds:

Senior Center Fund

The Senior Center Fund accounts for the administration of Senior Center program funds (\$143,551) appropriated by the Louisiana Legislature to GOEA, which in turn *passes through* the funds to the Council. The purpose of this program is to provide community service centers where elderly people can receive congregate related social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. Senior centers are located in Cut Off and Ward 6. Senior Center grant funds not consumed within this program are free to be transferred to another program that benefits the elderly. For this year, the Council transferred \$108,060 of the primary grant to the Title III C-1 Fund to subsidize the cost of providing meals.

Title III D Fund

The Title III D Fund accounts for funds used for wellness, which includes disease prevention and health promotion activities. During the year, the Council reported to GOEA that it provided 877 units of wellness services to eligible participants. The source

Exhibit F - Continued

of the revenue forming the basis for this fund is a grant (\$6,169) the Council received from GOEA for *Title III, Part D_ Disease Prevention and Health Promotion Services*. The Council also received \$1,671 of ARP funds from GOEA for Title III D programs.

Title III E Fund

The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to GOEA that it provided 108 units of information and assistance, 2,152.50 units of in-home respite, 319 units of material aid, and 160 units of personal care services to eligible participants. The source of the revenue forming the basis for this fund is a grant (\$48,837) the Council received from GOEA for the *Title III, Part E _ National Family Caregivers Support Program*.

d. Measurement Focus and Basis of Accounting

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

- **Government-Wide Financial Statements - Accrual Basis**

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

- **Fund Financial Statements - Modified Accrual Basis**

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. *Measurable* means the amount of the

Exhibit F - Continued

transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be *available* if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due; and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost not recognized in the governmental funds.

e. Interfund Activity

In the fund financial statements, interfund activity is reported as either a loan or transfer. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

f. Cash

Cash includes currency on hand and demand deposits with banks or other financial institutions. Cash is reported at its carrying value, which approximates its fair value.

For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line-item *Cash and Investments* on the Statement of Net Position is comprised of restricted cash of \$1,347 and unrestricted cash of \$3,622,775. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Investments

Investments in certificates of deposit are reported at cost because they are *nonparticipating* interest-earning investment contracts as discussed in GASB 31. The term *nonparticipating*

Exhibit F - Continued

means that the investment value does not vary with market interest rate changes. The Council did not own any investments of this type at year-end.

Investments, which include securities traded on a national or international exchange, are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value. The Council did not own any investments of this type at year-end.

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates.

The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

h. Receivables

The financial statements will contain an allowance for uncollectible property (ad valorem) tax if management estimates that some of the tax owed the Council will not be collected. When an allowance is considered appropriate by management, the amount will be applied to reduce the property tax receivable amount presented on the Statement of Net Position (Exhibit A) and the Balance Sheet (Exhibit C). See Note 3 for information about this year's allowance for uncollectible property taxes.

Exhibit F - Continued

Management estimates that other receivables presented will be collected in full. However, if management becomes aware of information that would change its assessment about the collectability of these other receivables, management would write-off the receivables as bad debts at that time.

i. Prepaid Expenses & Expenditures

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

In the fund financial statements, management has elected not to include amounts paid for future services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the Balance Sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements.

j. Capital Assets

The accounting and reporting treatment used for capital assets depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement

Exhibit F - Continued

of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation. Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment - other than computers	10 years
Vehicles	5 years
Computer equipment	5 years

Fund Financial Statements

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are disposed of or placed in service.

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

k. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements. The Council did not have any non-current liabilities at year-end.

l. Unpaid Compensated Absences

The Council's policies for vacation leave permit full-time employees to accumulate unused vacation leave after three years of employment. Accordingly, a liability for the unpaid leave has been recorded in the government-wide statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to accruing (earning) and using vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the Statement of Net Position. Any amounts that might be long-term would be immaterial.

The amount accrued as the compensated absence liability was determined using the number of vested hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for Social Security and Medicare taxes.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result, no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The difference in the methods of accounting for compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the government-wide financial statements relative to sick leave.

m. Advances from Funding Agencies

The Council reports advances from funding agencies on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Advances from funding agencies represent unexpended balances of grants awarded to

Exhibit F - Continued

the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council had \$14,922 due back to GOEA at year-end because it did not expend all of the Title III E (\$822) and Vaccine Outreach (\$14,170) funds by June 30, 2023.

n. Unearned Revenue

The Council reports unearned revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Unearned revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before incurring qualifying expenditures. In subsequent periods, when the Council has a legal claim to (earned) the resources, the liability for unearned revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. At year-end, the Council had unearned revenue consisting of funds from the following grants: (1) ARP (\$16,889) and (2) STPH (\$12,015). The grant period for these programs ends June 30, 2024.

o. Deferred Property Tax Revenue

Deferred property tax revenues arise when property taxes are expected to be received but not within 60 days after the end of the Council's fiscal year in which the taxes are levied. Deferred property tax revenues are reported on the Balance Sheet of the fund financial statements, but not on the Statement of Net Position, because the related revenues are recognized in the Statement of Activities using the full accrual basis of accounting. In subsequent periods when the deferred property tax revenues are collected, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized. The Council presented \$135,377 as total deferred property tax revenue on its fund balance sheet (Exhibit C) as of June 30, 2023. The components of the total deferred property tax revenue are \$103,020 relating to tax year 2022 and \$32,357 relating to tax year 2021. Also see Note 3.

p. Deferred Outflows and Inflows of Resources

Deferred outflows represent the consumption of the Council's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period. The Council did not have any

Exhibit F - Continued

deferred outflows of resources to report in any of its financial statements this year. However, the deferred property tax revenue discussed above in Note 1n represents a deferred inflow of resources.

q. Net Position in the Government-Wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

The Council reports three categories of net position, as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.
- *Restricted net position* – This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

r. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance, which is classified based on the relative strength of the spending constraints placed on how the fund balance resources can be used, as follows:

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and

Exhibit F - Continued

deposits as being nonspendable because these items are not expected to be converted to cash.

- *Restricted:* This classification includes amounts for which constraints have been placed on the use of resources and are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

- *Committed:* This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

- *Assigned:* This classification includes spendable amounts that are reported in governmental funds *other than the General Fund* that are neither restricted nor committed and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. This year, the Council's management assigned some funds to the utility assistance program; however, at year-end only \$6,024 remained.

- *Unassigned:* This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Exhibit F - Continued

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

s. Management's Use of Estimates

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

t. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions. In addition, if the program's activities are immaterial, management may not elect to allocate any indirect costs to the program.

u. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the *grossing up* effect on assets and liabilities within the governmental activities column.

v. Special Items

Special items are significant transactions or events that are either unusual in nature or infrequent in occurrence and that are within the control of the Council's management. Within in the control of management does not necessarily mean that management did control the transaction. It simply means that management could control it. Special items have been reported separately in both the government-wide Statement Of Activities and the governmental fund Statements of Revenues, Expenditures, and Changes in Fund Balances. The Council did not have any special items this year

Note 2 - Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned using the accrual basis of accounting.

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting; intergovernmental grant revenues, program service fees (charges for services), and interest income must be both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are generally recorded as revenue in the period received.

Note 3 - Revenue Recognition - Property Tax

During fiscal year 2009, the Council began receiving funds from a property tax that was adopted by the voters of Lafourche Parish on July 19, 2008 to specifically provide money to finance the Council's operations. The Lafourche Parish Assessor began assessing this property tax in 2008 and it continued to do so through 2017 (ten years). On December 10, 2016 the voters of Lafourche Parish renewed this tax for another ten years (through 2027). The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January is used as the date to value the property subject to tax and make the annual assessment.

The gross assessed value as of January 1, 2022, of the certified roll was \$1,077,064,455. After applying homestead exemptions of \$182,445,979 the net assessed value upon which the Council's property tax was computed was \$894,618,476. These assessed values have been computed after property tax abatements. Tax abatements are widely used by state and local

Exhibit F - Continued

governments to primarily encourage economic development. For financial reporting purposes, a tax abatement occurs when there is an agreement between a government and an individual or entity in which the government agrees to forgo tax revenues and the individual or entity promises to subsequently take a specific action that will contribute to economic development or benefits the government or its citizens. This year the Lafourche Parish Government (LPG) entered into various property tax abatements which resulted in the Council receiving \$68,170 less in property tax revenues than if the abatements did not exist.

Two mills are the maximum amount the Council may legally elect to assess property owners each year but the Council's board of directors elected to have the Parish assess only 1.97 mills for tax year 2022. Accordingly, management initially estimated the gross amount of property tax payable to the Council for this fiscal year to be \$1,762,399. However, this amount was later adjusted by the Lafourche Parish Sheriff to account for supplements, reductions, and adjudicated/exempt taxes to \$1,727,877. In addition to these adjustments, the Council's management has estimated the uncollectible tax amount to be \$0 and deferred tax collections relating to the 2022 property tax to be \$103,020. Current year collections of prior year property taxes were \$19,298. As a result, the adjusted total property tax revenue recognized in the fund financial statements this year is \$1,644,155.

Property taxes are levied in November and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The Lafourche Parish Sheriff acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the taxes due as possible. The tax sale date for Lafourche Parish for the 2022 tax assessment was held July 11, 2023 and the lien date was July 20, 2023.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed (November of each year). As the Sheriff collects the taxes, he forwards them to the Council on Aging where they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also accrues as current year revenues any property taxes the Sheriff collects by August 31 (within 60 days of year-end) because it considers those amounts to be measurable and available. Any amounts estimated to be collectible after 60 days of year-end are presented as deferred property tax revenue. See Note 1o for more information about deferred property tax revenue.

For purposes of accruing property tax revenues in the government-wide financial statements, the Council follows the full accrual basis of accounting. This requires the Council

Exhibit F - Continued

to recognize property tax revenue based on the net assessed value provided by the Parish's assessor less any allowance for uncollectible amounts. Deferred property tax revenue is not recognized in the government-wide statements in contrast to the fund financial statements. Accordingly, property tax revenue recognized in the government-wide statement this year is \$95,903 more than the tax revenue recognized in the fund financial statements. If the fund financial statements did not present any amounts for deferred property tax revenues, then the amount of property tax revenues presented in the government-wide statements and the fund financial statements would be the same.

Property tax revenues of \$1,644,155 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$55,312 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of retirement plan contributions for other government agencies. Instead, the \$55,312 has been presented as an intergovernmental expenditure on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$1,740,058 were reduced by the \$55,312 of on-behalf payments to present a net amount of \$1,684,746 for general revenues. Also see Note 19 to these financial statements.

Note 4 - Cash and Investments

The Council maintains a consolidated bank account at JPMorgan Chase Bank to deposit the money it collects and to pay bills other than payroll. The consolidated bank account is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains another demand deposit account at this bank for making payroll disbursements. This account is maintained on an imprest basis. A third bank account, which is a savings account, was established by management to obtain interest on idle funds, maintain liquidity, and reduce credit risks. During the year this savings account was closed out because its LAMP account was paying more interest and enabled the Council to do the same things as the savings account.

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance. The current FDIC coverage is \$250,000 for demand deposits and another \$250,000 for interest-bearing deposits per bank because the Council's bank balances periodically exceed the FDIC coverage amounts its management obtains collateralization for deposits at banks that exceed FDIC insurance.

Exhibit F - Continued

At June 30, the carrying value of the Council's bank accounts at JPMorgan Chase Bank totaled \$126,247, whereas the corresponding total bank balances were \$139,358. The difference was principally due to outstanding checks and deposits that had not cleared the bank by June 30. At year-end all bank balances were covered by FDIC insurance. State law and the Council's policy requires uninsured bank balances to be adequately secured by pledged securities at all times. The bank had pledged securities that had a market value at \$639,437 at June 30th. Accordingly, all of the bank balances at year-end were either insured or adequately collateralized. The pledged securities are being held in a collateral account in the name of the Council at the Federal Reserve Bank of New York.

During the year, the Council accumulates cash in excess of its immediate needs. To maximize its interest income, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, at year-end, the Council's management has invested \$3,496,977 in the Louisiana Asset Management Pool (LAMP) which complies with state law and the Council's investment policy. The interest rate on LAMP investments at June 30, 2023 was 5.10%. LAMP is administered by LAMP, Inc., a non-profit corporation organized under Louisiana law. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's

Exhibit F - Continued

investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 26 days and the WAM (to final) is 56 days as of June 30, 2023.
- Foreign currency risk: Not applicable to 2a7-like pools.

Note 5 - Prepaid Expenditures & Expenses

At year-end, prepaid expenditures in the fund Balance Sheet (Exhibit C) and prepaid expenses in the government-wide Statement of Net Position (Exhibit A) consisted of the following:

Nonowners insurance premiums	\$ 1,260
Bond Insurance premiums	950
Liability and property insurance premiums	40,461
Vehicle acquisition deposits	77,506
	<hr/>
Total prepaid expenditures & expenses	<u>\$ 120,177</u>

Note 6 - Changes in Capital Assets

A summary of changes in capital assets and related accumulated depreciation are as follows:

Capital Assets Being Depreciated	Balance June 30, 2022	Additions	Decreases	Balance June 30, 2023
Vehicles	\$ 995,079	\$ 0	\$ 0	\$ 995,079
Furniture and Equipment	50,889	9,008	0	59,897
Total Capital Assets	1,045,968	9,008	0	1,054,976
Less Accumulated Depreciation:				
Vehicles	799,851	86,612	0	886,463
Furniture and Equipment	43,370	4,126	0	47,496
Total Accumulated Depreciation	843,221	90,738	0	933,959
Capital Assets Net of Depreciation	\$ 202,747	\$ (81,730)	\$ 0	\$ 121,017

None of the above amounts includes any donated asset.

The Council's management has reviewed the capital assets and does not believe any of them are impaired or totally inoperable as of year-end.

Depreciation was charged to governmental activities as follows:

Administration	\$ 12,204
Supportive Services:	
Transportation of the elderly	77,633
Nutrition Services:	
Congregate Meals	126
Home-delivered Meals	775
Total depreciation expense for governmental activities	\$ 90,738

The \$12,204 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$78,534) are charged as direct expenses to their related functions on

the Statement of Activities.

Note 7 - Changes in Compensated Absences

For purposes of the Statement of Net Position, the Council has presented all of its accumulated unpaid vacation leave as a current liability. This is because vested amounts will likely be used before the end of the next fiscal year. In contrast, no liability for compensated absences has been presented in the Balance Sheet of the fund financial statements because such leave does not become a liability until the employee has made a request to use it or terminates employment with the Council. The following is a schedule of changes that occurred in the Council’s compensated absences account during the fiscal year.

Balance at July 1, 2022	\$ 68,249
Net increase (decrease)	<u>(25,327)</u>
Balance at June 30, 2023	<u><u>\$ 42,922</u></u>

Note 8 - Fund Balances - Fund Financial Statements

At year-end, the General Fund includes a restricted fund balance for utility assistance (\$1,347), an assigned fund balance (\$6,024) for utility assistance, and \$127,722 of nonspendable fund balance, which consists of prepaid expenditures and various deposits.

None of the special revenue funds had any fund balance at June 30, 2023. Typically, these fund balances are cleared at year-end to comply with the terms of the grants that provide money to these funds.

Note 9 - In-Kind Contributions

The Council received a variety of in-kind contributions during the year, but does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

The Council’s in-kind contributions for the year consisted of having people volunteer their

Exhibit F - Continued

time to work in the senior centers and serve congregate meals. The volunteer services were valued by recording the number of hours the volunteers worked and multiplying the hours by minimum wage. The services were valued at \$4,546 by the Council.

Note 10 -Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's policy when traveling on behalf of the Council.

Note 11 -Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council is also exempt from Louisiana income tax. The Council does not file a Form 990 because it has been determined by the Internal Revenue Service to be an *affiliate of a governmental unit* within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 12 -Judgments, Claims, and Similar Contingencies

As of the end of this fiscal year, the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Management believes that any unexpected lawsuits or unknown claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements. As of the date these financial statements were issued management was unaware of any outstanding claims or lawsuits against the Council.

Note 13 -Contingencies - Grant Programs

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council or any of its subcontractors has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year-end may be impaired. In management's opinion, there are not any significant contingent liabilities relating to the Council's noncompliance with the rules and

Exhibit F - Continued

regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

Note 14 -Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions by employees; job related illnesses or injuries to employees; officer and directors' liability; certain types of business interruption; employment practices; human services; crisis management; sexual misconduct; cyber-attacks; identity recovery; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. Deductibles are relatively small ranging from zero to \$2,500 depending on the type of coverage. The Council also carries workman's compensation insurance and employee health and accident insurance for which it has no deductibles. The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of certain types of business interruption and certain acts of God, like floods or earthquakes, or virus pandemics.

There have been no significant reductions in coverage from the prior year. Instead, the Council has taken steps to improve its overall coverage and reduce deductibles. For example, for the period July 1 through December 31, 2022 the Council elected to allow the Lafourche Parish Government (LPG) to provide vehicle liability coverage for the Council's vehicles in an effort to minimize expenditures relating to this type of coverage. The LPG has a self-insured risk retention program, which means that the LPG and the Council are exposed for the first \$75,000 of damages per incident that might arise should the Council be held liable in a vehicle accident. The Council was not required to pay the LPG any premiums to participate in its risk retention program. Also, the LPG and the Council did not assign any funds to cover damages under \$75,000 per incident. Instead, the Council's management agreed pay for any damages or claims using General Fund money as they might arise. Accordingly, the Council could be exposed to significant losses should multiple accidents happen within the \$75,000 deductible amount. However, beginning January 1, 2023, the Council discontinued its vehicle coverage through the LPG and purchased insurance to reduce the risks and lower the deductible.

No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage, except that in fiscal year 2022 and fiscal year 2021 the Council

Exhibit F - Continued

spent \$41,382 and \$10,775, respectively, in lawsuit settlements and legal fees to settle claims outside its insurance coverages. The Council had no claims to settle or legal fees to pay this fiscal year.

In the fund financial statements, the COA usually reports its risk management activities, including the cost of legal representation, claim settlements, and judgments, in the General Fund. The exception would be when the claim can be linked to a program service provided by one of the special revenue funds. In the government-wide financial statements similar expenses will be allocated directly to the function that gave rise to the expense in the Statement of Activities. Claims expenditures, expenses, and liabilities are reported when it is probable that a material loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In addition, no year-end accrual has been made for any other known claim losses that relate to this year but will be settled in a future year because management considers the potential settlement amounts to be immaterial, individually and in the aggregate, to the financial statements. See Note 12 for additional details. Furthermore, management has not made any estimates or accruals for claim losses that might arise in future years during the normal course of business.

Note 15 -Related Party Transactions

There were not any related party transactions during the fiscal year.

Note 16 -Economic Dependency

The Council's largest single source of revenue is from a property tax. If the property in Lafourche Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected.

The Council also receives significant amounts of its annual revenues from the Governor's Office of Elderly Affairs (GOEA). These revenues are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal or state level, the amount of funds the Council receives could be reduced and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive next year relating to revenues it usually receives from GOEA.

Note 17 -Purchase Commitments

At year-end, the Council had purchase commitments to acquire four passenger vehicles. To acquire the vehicles the Council is required to only pay about 14% of the total cost of each vehicle. The federal and parish governments will pay the remaining 86%. The Council's has already paid \$77,506, which was its share of the *matching funds* needed to acquire the vehicles. This total has been presented on Exhibits A and C as a *prepaid expense/expenditure*. The vehicles are expected to be delivered next year.

Note 18 -On-Behalf Payments for Fringe Benefits

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (RS 11:82) requires the Council to bear a pro-rata share of the pension expense relating to state and local public retirement systems. The Council's pro-rata share of the required contribution was \$55,312 which was withheld by the Lafourche Parish Sheriff from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation in December each year even though some of the property taxes may never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure. The amount withheld by the Sheriff represents *intergovernmental* expenditures of the General Fund on Exhibit D.

The following list presents the retirement systems that were funded by the Council's property tax revenues this year:

Assessor's Retirement Fund	\$ 5,920
Clerks' of Court Retirement & Relief Fund	4,915
District Attorney's Retirement System	3,932
Municipal Employee's Retirement System	4,915
Parochial Employees' Retirement System	4,914
Registrar of Voters Employees' Retirement	1,229
Sheriff's Pension & Relief Fund	9,829
Teachers' Retirement System	19,658
	<u>\$ 55,312</u>

Note 19 -Interfund Transfers

Operating transfers to and from are listed by fund for the fiscal year as follows:

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 1,408,279
Title III C-1 Fund	0	71,060
Title III C-2 Fund	0	376,034
Total General Fund	<u>0</u>	<u>1,855,373</u>
Title III B Fund:		
General Fund - PCOA	\$ 100,000	\$ 0
General Fund - local funds	1,308,279	0
Total Title III B Fund	<u>1,408,279</u>	<u>0</u>
Title III C-1 Fund:		
General Fund - Supp. Senior Center	\$ 10,598	\$ 0
General Fund - local funds	60,462	0
Nonmajor Funds in the Aggregate (Sr. Center)	108,060	0
Total Title III C-1 Fund	<u>179,120</u>	<u>0</u>
Title III C-2 Fund:		
General Fund - local funds	\$ 376,034	\$ 0
Total Title III C-2 Fund	<u>376,034</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Senior Center to Title III C-1 Fund	\$ 0	\$ 108,060
Total Nonmajor Funds in the Aggregate	<u>0</u>	<u>108,060</u>
Grand Totals	<u><u>\$ 1,963,433</u></u>	<u><u>\$ 1,963,433</u></u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (b) shift unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

Note 20 -Interfund Receivables and Payables

Because the Council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. The Council did not have any interfund loans at year-end.

Note 21 -Subsequent Events

Management has evaluated subsequent events through December 20, 2023, which is the date the financial statements were available to be issued. There were no events that required disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

Budgetary Comparison Schedule - General Fund

**Lafourche Council on Aging, Inc.
Raceland, Louisiana**

For the year ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA grant	\$ 100,000	\$ 100,000	\$ 100,000	\$ 0
Supplemental Senior Center grants	10,599	10,599	10,599	0
AAA grant - primary	46,267	47,691	47,691	0
AAA grant - ARP	15,764	15,764	15,764	0
MIPPA contract	42,820	24,615	24,560	(55)
Vaccine Outreach	10,733	0	0	0
STPH Grant	0	3,458	13,505	10,047
La Dept of Transportation & Development	0	480,119	0	(480,119)
Property Taxes	1,479,907	1,762,399	1,644,155	(118,244)
Public Support - restricted	86,500	4,667	4,667	0
Public Support - unrestricted	0	1,686	1,686	0
Interest Income	3,141	72,216	98,041	25,825
LWCC Dividends	0	0	35,434	35,434
Miscellaneous	0	1,223	1,823	600
Total Revenues	1,795,731	2,524,437	1,997,925	(526,512)
<u>EXPENDITURES</u>				
Current:				
Personnel	56,269	62,016	61,883	133
Fringe	21,806	26,381	25,102	1,279
Travel	48	28	27	1
Operating Services	8,981	14,541	14,900	(359)
Operating Supplies	32,068	2,564	16,024	(13,460)
Other Costs	8,810	18,488	19,019	(531)
Full Service	0	3,458	0	3,458
Utility Assistance	4,677	11,710	10,789	921
Specific Assistance to Individuals	588	751	740	11
Hurricane Ida Relief Supplies	86,000	0	0	0
Capital Outlay	100,148	631,089	9,008	622,081
Intergovernmental	0	55,312	55,312	0
Total Expenditures	319,395	826,338	212,804	613,534
Excess of revenues over expenditures	1,476,336	1,698,099	1,785,121	87,022
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	0	0	0	0
Transfers out	(1,979,662)	(1,929,098)	(1,855,373)	73,725
Total other financing sources (uses)	(1,979,662)	(1,929,098)	(1,855,373)	73,725
Net increase (decrease) in fund balance	\$ (503,326)	\$ (230,999)	(70,252)	\$ 160,747
<u>FUND BALANCE</u>				
Beginning of year			3,779,553	
End of year			\$ 3,709,301	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs				
Primary Grant	\$ 136,264	\$ 139,283	\$ 139,283	\$ 0
ARP Grant	50,493	50,493	96,778	46,285
Public Support - restricted (client contributions)	20,185	25,427	26,684	1,257
Program Service Fees - transportation	413	203	328	125
Total Revenues	<u>207,355</u>	<u>215,406</u>	<u>263,073</u>	<u>47,667</u>
<u>EXPENDITURES</u>				
Current:				
Personnel	926,884	915,194	904,093	11,101
Fringe	326,573	356,527	356,071	456
Travel	19,912	16,012	19,087	(3,075)
Operating Services	116,686	136,243	141,918	(5,675)
Operating Supplies	72,790	100,187	110,445	(10,258)
Other Costs	40,928	37,102	42,870	(5,768)
Full Service	114,780	77,609	96,868	(19,259)
Lawsuit and Claims Settlements	44,193	9,500	0	9,500
Total Expenditures	<u>1,662,746</u>	<u>1,648,374</u>	<u>1,671,352</u>	<u>(22,978)</u>
Excess of expenditures over revenues	<u>(1,455,391)</u>	<u>(1,432,968)</u>	<u>(1,408,279)</u>	<u>24,689</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,455,391	1,432,968	1,408,279	(24,689)
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>1,455,391</u>	<u>1,432,968</u>	<u>1,408,279</u>	<u>(24,689)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-1 Fund

**Lafourche Council on Aging, Inc.
 Raceland, Louisiana
 For the year ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u> <u>(Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u> <u>Accrual</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 108,479	\$ 116,557	\$ 116,557	\$ 0
ARP grant	17,855	17,855	30,942	13,087
Public Support - restricted (client contributions)	0	16,916	17,202	286
Public Support - restricted (Bayou Community Foundaton)	0	16,020	0	(16,020)
Total Revenues	<u>126,334</u>	<u>167,348</u>	<u>164,701</u>	<u>13,373</u>
<u>EXPENDITURES</u>				
Current:				
Personnel	33,606	191,517	192,504	(987)
Fringe	11,789	58,138	59,916	(1,778)
Travel	356	468	769	(301)
Operating Services	1,516	24,534	25,457	(923)
Operating Supplies	192	15,693	6,333	9,360
Other Costs	1,200	7,270	7,052	218
Meals	12,896	49,705	51,790	(2,085)
Total Expenditures	<u>61,555</u>	<u>347,325</u>	<u>343,821</u>	<u>3,504</u>
Excess of expenditures over revenues	<u>64,779</u>	<u>(179,977)</u>	<u>(179,120)</u>	<u>16,877</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	10,599	179,977	179,120	(857)
Transfers out	(75,378)	0		0
Total other financing sources (uses)	<u>(64,779)</u>	<u>179,977</u>	<u>179,120</u>	<u>(857)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 16,020</u>
<u>FUND BALANCE</u>				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

**Lafourche Council on Aging, Inc.
 Raceland, Louisiana
 For the year ended June 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 139,793	\$ 134,602	\$ 134,602	\$ 0
ARP grant	49,376	49,376	72,346	22,970
CARES Act grant	48,085	0	0	0
HRC5 grant	34,621	0	0	0
NSIP grant	81,421	82,174	82,174	0
Public Support - restricted (client contributions)	82,581	88,258	92,444	4,186
Public Support - restricted (Bayou Community Foundation)	65,000	1,780	0	(1,780)
Total Revenues	500,877	356,190	381,566	25,376
<u>EXPENDITURES</u>				
Current:				
Personnel	441,926	276,369	274,915	1,454
Fringe	113,765	73,267	72,598	669
Travel	41,127	38,520	42,119	(3,599)
Operating Services	49,004	40,219	40,134	85
Operating Supplies	16,399	16,681	17,007	(326)
Other Costs	18,661	12,773	14,475	(1,702)
Full Service	0	0	0	0
Meals	517,482	283,683	296,352	(12,669)
Total Expenditures	1,198,364	741,512	757,600	(16,088)
Excess of expenditures over revenues	(697,487)	(385,322)	(376,034)	9,288
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	697,487	385,322	376,034	(9,288)
Transfers out	0	0	0	0
Total other financing sources (uses)	697,487	385,322	376,034	(9,288)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<u>FUND BALANCE</u>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023

Note 1 - Budgetary Reporting

The budget information presented in this section of required supplementary information applies to *major* governmental funds for which annual budgets were adopted. Budgetary information for *nonmajor* funds has not been included anywhere in these financial statements.

The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management makes projections of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director and Finance Administrator prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

current fiscal year. The Council's original budget for this fiscal year was approved by the board on April 29, 2022.

- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for compliance approval.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The match might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the Council's budget twice using a procedure similar to the one used to approve the original budget. The final (2nd revision) version of the budget was approved at a board meeting on April 19, 2023.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to cover the overrun.

Note 2 - General Fund's Budgeted Operating Deficit

Management originally budgeted an operating deficit of \$503,326 in the Council's General Fund this year because it anticipated the General Fund would have reduced property tax revenues similar to last fiscal year. Last year's property tax revenues were low as a result of reassessments done as a result of property damages caused by Hurricane Ida. In addition, the General Fund always has significant transfers of funds to subsidize the various programs comprising the Special Revenue Funds. The Council was able to budget such an initial deficit because it had a large enough unassigned fund balance to absorb the deficit. As the year progressed and more information became available, management was able to amend its original budget (twice). The final amended budget forecasted a much smaller deficit than the original budget. The main reasons for this favorable change were because actual property tax revenue and interest income were going to be more than originally forecasted. Despite these increases in revenue, the Council was still forecasting an operating deficit of \$230,999. However, the Council had at least 3.5 million dollars of unassigned fund balance to absorb the forecasted deficit.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

	Senior Center Fund	Title III D Fund	Title III E Fund	Totals
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs				
Primary grant	\$ 143,551	\$ 6,169	\$ 48,837	\$ 198,557
ARP grant	0	1,671	0	1,671
Public Support (Restricted):				
Client contributions	0	0	0	0
Total revenues	143,551	7,840	48,837	200,228
<u>EXPENDITURES</u>				
Health, Welfare, & Social Services:				
Current:				
Personnel	27,674	0	434	28,108
Fringe	4,210	0	207	4,417
Travel	144	0	0	144
Operating Services	2,366	0	27	2,393
Operating Supplies	225	0	84	309
Other Costs	872	0	19	891
Full Service	0	7,840	48,066	55,906
Total expenditures	35,491	7,840	48,837	92,168
Excess of revenues over (under) expenditures	108,060	0	0	108,060
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	0	0	0	0
Operating transfers out	(108,060)			(108,060)
Total other financing sources (uses)	(108,060)	0	0	(108,060)
Net increase (decrease) in fund balances	0	0	0	0
<u>FUND BALANCE (DEFICIT)</u>				
Beginning of year	0	0	0	0
End of year	\$ 0	\$ 0	\$ 0	\$ 0

**Comparative Schedule of Capital Assets and
Changes in Capital Assets**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2023</u>
<u>Capital Assets</u>				
Vehicles	\$ 995,079	\$ 0	\$ 0	\$ 995,079
Furniture & equipment	50,889	9,008	(12,277)	47,620
Total capital assets	<u>\$ 1,045,968</u>	<u>\$ 9,008</u>	<u>\$ (12,277)</u>	<u>\$ 1,042,699</u>
<u>Investment in Capital Assets</u>				
Property acquired with funds from:				
PCOA	\$ 11,071	\$ 0	\$ (9,864)	\$ 1,207
Federal Transit Administration - Section 5310	686,648	0	0	686,648
Federal Transit Administration - Section 5311 RTAP	1,214	0	0	1,214
Local	347,035	9,008	(2,413)	353,630
Total investment in capital assets	<u>\$ 1,045,968</u>	<u>\$ 9,008</u>	<u>\$ (12,277)</u>	<u>\$ 1,042,699</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

**Schedule of Compensation, Benefits, and Other Payments to
the Council's Executive Director**

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

Executive Director's (Agency Head) Name: Charlene Rodriguez

Purpose	Amount
Salary	\$ 96,012.00
Benefits-insurance (health and life)	16,663.74
Benefits-retirement	0
Benefits-other (COA paid FICA, LUTA, WC)	11,387.75
Reimbursements for Travel	53.00
Total	\$ 124,116.49



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

To the Board of Directors
Lafourche Council on Aging, Inc.
Raceland, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lafourche Council on Aging, Inc., Raceland, Louisiana, (the Council) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 20, 2023.

Report on Internal Control over Financial Reporting

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

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

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

we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



T. S. Kearns & Co., CPA
Thibodaux, Louisiana
December 20, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023

SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. 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*:

Internal control over financial reporting:

- Material weaknesses identified? No
- Significant deficiencies identified? None were reported

Noncompliance material to the financial statements identified? No

- C. Was a management letter issued for this year's audit? No

SUMMARY OF PRIOR YEAR FINDINGS
Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023

Financial Statement Findings

The auditor did not report any financial statement findings in his audit of the Council's FY 2022 financial statements last year. Therefore, management has nothing to report in this section.

Federal Award Findings and Questioned Costs

The auditor did not report any major federal award program findings in his audit of the Council's FY 2022 financial statements last year. Therefore, management has nothing to report in this section.

Management Letter

None was issued last year. Therefore, management has nothing to report in this section.

MANAGEMENT'S CORRECTIVE ACTION PLAN

**Lafourche Council on Aging, Inc.
Raceland, Louisiana
For the year ended June 30, 2023**

To the following oversight agencies for audit:

State: Legislative Auditor of the State of Louisiana; and Governor's Office of Elderly Affairs.

Name and address of independent public accounting firm: T.S. Kearns & Co., CPA, PC, 164 West Main Street, Thibodaux, LA 70301

Audit period: For the year ended June 30, 2023.

The findings from the June 30, 2023 schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENT FINDINGS

The auditor did not report any findings as a result of this year's audit. Therefore, management has nothing to report in this section.

If you have any questions regarding this audit, please call Charlene Rodriguez, the Council's Executive Director, at (985) 532-0459 or lafcoadirector@viscom.net.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS'
STATEWIDE AGREED-UPON PROCEDURES

Lafourche Council on Aging, Inc.
Raceland, Louisiana

For the Fiscal Period July 1, 2022 through June 30, 2023



T.S. KEARNS & CO.


(A Professional Corporation)
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South end of Canal Boulevard
(985) 447-8507 Fax (985) 447-4833
www.kearnscpa.com



INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS' STATEWIDE
AGREED-UPON PROCEDURES

To:
The Board of Directors
Lafourche Council on Aging, Inc.
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2022, through June 30, 2023. Lafourche Council on Aging, Inc. management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

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:

Findings:

Obtained the Council's written policies and procedures.

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Findings:

The policy does address this function 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.

Findings:

The policy does address this function 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.

Findings:

The policy does address this function including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Findings:

The policy does address this function including receiving, recording, and preparing deposits. Also, policies and procedures do include management's actions to determine the completeness of all collections for each type of revenue.

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Findings:

The policy does address this function including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees' 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.

Findings:

The policy does address this function including (1) types of services requiring written contracts, (2) legal review, and (3) approval process, and (4) monitoring process. The policy does not specifically address standard terms and conditions because this is not applicable.

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

Findings:

The policy does address this function by reference to the Louisiana Travel Guide and the Council's Employee Handbook including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

- h) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Findings:

The policy does address this function including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Findings:

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

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

Findings:

The policy does not address Debt Service because it is not applicable.

- 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.

Findings:

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

Findings:

The policy does address (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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.

Findings:

The managing board met with a quorum on a frequency in accordance with the board's enabling legislation.

- 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.*

Findings:

The minutes referenced the financial report; which includes the monthly budget-to-actual comparison on the General Fund and all additional major funds.

- 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.

Findings:

The budget-to-actual comparisons did not reflect a deficit.

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

Findings:

Not applicable. The Council had no prior year audit findings.

Bank Reconciliations

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

Findings:

Obtained a listing of Council's bank accounts. Bank reconciliations were prepared for all bank accounts.

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

Findings:

Bank reconciliations include evidence that they were prepared within 2 months of the 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

Findings:

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

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

Findings:

Not applicable. There were no outstanding items for more than 12 months.

Collections (excluding electronic funds transfers)

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).

Findings:

Obtained a listing of the Council's collection locations.

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:

Findings:

Obtained and inspected written policies and procedures. Observed that job duties are properly segregated at each collection location.

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

Findings:

Not applicable. Cash drawers/registers are not used.

- 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.

Findings:

Employee responsible for collecting cash is responsible for preparing/making bank deposits. The employee responsible for making bank deposits is also not responsible for reconciling collection documentation to the deposits.

- 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.

Findings:

Employees responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers.

- 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/official verifies the reconciliation.

Findings:

The employee reconciling cash collections to the general ledger is not responsible for collecting cash. Management also verifies the reconciliation, who is not responsible for collecting cash nor reconciling to the general ledger.

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.

Findings:

All employees are covered by insurance policy for 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

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

Findings:

Not applicable. Receipts are not used since all cash collections are voluntary and are required to remain anonymous.

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

Findings:

No exceptions.

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

Findings:

No exceptions.

- d) Observe 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 or drawer).

Findings:

No exceptions.

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

Findings:

No exceptions.

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).

Findings:

Obtained a listing of the Council's locations responsible for processing payments.

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:

Findings:

Obtained a listing of those employees involved in non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties. Observed that job duties are properly segregated.

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

Findings:

At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.

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

Findings:

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.

Findings:

The employee responsible for processing payments, can add/modify vendor files. However, a member of management is responsible for reviewing payments, signed checks, and changes to vendor files monthly.

- 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.

Findings:

Signed checks are mailed by an employee not responsible for processing payments or signing checks.

- e) Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

Findings:

Only employees/officials authorized to sign checks can approve electronic disbursement of funds.

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:

Findings:

Obtained supporting documentation for each transaction selected.

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

Findings:

Observed all disbursements matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice received by the entity.

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

Findings:

Observed all disbursement documentation included evidence of segregation of duties tested under #9.

11. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Findings:

No exceptions. All electronic disbursements were approved by only those persons authorized to disburse funds per the entity's policy and approved by the required number of authorized signers per the entity's policy.

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

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

Findings:

Obtained from management a listing of the Council's active credit cards, bank debt cards, fuel cards, and P-cards, including card numbers and the names of the persons who maintained possession of the cards.

13. 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. (those instances 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.)

Findings:

Reviewed statements for each card (Chase, Walmart, and Fuelman). Each statement tested had supporting documentation which was reviewed and approved, in writing, by the Financial Accountant and Executive Director.

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

Findings:

No exceptions.

14. 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.

Findings:

No exceptions.

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

15. 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:

Findings:

Obtained the general ledger and sorted/filtered for travel reimbursements, by person.

- 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).

Findings:

No exceptions.

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

Findings:

Not applicable.

- 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 #1g).

Findings:

No exceptions.

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

Findings:

No exceptions.

Contracts

16. 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:

Findings:

Obtained a listing of all contracts in effect during the fiscal period; additionally, obtained the general ledger and soft/filter to obtain contract payment amounts.

- 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.

Findings:

No exceptions.

- 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).

Findings:
No exceptions.

- 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).

Findings:
No exceptions.

- 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.

Findings:
No exceptions.

Payroll and Personnel

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

Findings:
Obtained a list of employees employed during the fiscal period and management's representation that the listing is complete.

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

- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Findings:
No exceptions

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

Findings:
No exceptions.

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

Findings:
No exceptions.

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

Findings:

No exceptions.

19. 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.

Findings:

No exceptions.

20. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings:

No exceptions.

Ethics

21. Using the 5 randomly selected employees/officials from procedure #17 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 calendar year as required by R.S. 42:1170.

Findings:

No exceptions.

- 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.

Findings:

Not applicable.

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

Findings:

No exceptions.

Debt Service

23. 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 as required by Article VII, Section 8 of the Louisiana Constitution.

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

Findings:

Section not applicable. No debt service.

Fraud Notice

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

Findings:

No reports of misappropriation of public funds.

26. 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.

Findings:

No exceptions.

Information Technology Disaster Recovery/Business Continuity

27. 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 (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

Findings:

We performed the procedure and discussed the results with management.

- 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.

Findings:

We performed the procedure and discussed the results with management.

- 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.

Findings:

We performed the procedure and discussed the results with management.

28. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #19. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Findings:

Not applicable.

Prevention of Sexual Harassment

29. Using the 5 randomly selected employees/officials from procedure #17 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 as required by R.S. 42:343.

Findings:

No exceptions.

30. 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).

Findings:

No exceptions.

31. 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.

Findings:

The council has completed the report with all appropriate information. Management reported no harassment complaints as of the report date.

We were engaged by Lafourche Council on Aging, Inc. 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 Lafourche Council on Aging, Inc. 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.



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December 20, 2023