

**ST. TAMMANY COUNCIL
ON AGING, INC.**

FINANCIAL STATEMENTS AND SCHEDULES

June 30, 2023

ST. TAMMANY COUNCIL ON AGING, INC.

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
St. Tammany Council on Aging, Inc.

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Council on Aging, Inc. (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 for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and budgetary comparison information on pages 5-12 and 43-48 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 balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental funds, comparative statement of capital assets and changes in capital assets, schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 balance sheet – nonmajor governmental funds, combining statement of revenues, expenditures, and changes in fund balances – nonmajor governmental funds, comparative statement of capital assets and changes in capital assets, schedule of compensation, benefits and other payments to agency head, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 30, 2023

ST. TAMMANY COUNCIL ON AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2023

INTRODUCTION

As management of the St. Tammany Council on Aging, Inc. (the Council), we offer readers of the Council's financial statements the management's discussion and analysis (the MD&A) of the financial activities of the Council, as of and for the year ended June 30, 2023. This section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Council's financial activity, identify changes in the Council's financial position (its ability to address the next and subsequent year challenges), and identify individual program issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the notes to financial statements, required supplementary information, and the other supplementary information that is provided in addition to the MD&A.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$7,182,478 (net position) as of June 30, 2023, an increase of approximately 1.54% from the prior fiscal year.
- The Council reported a net investment in capital assets of \$1,888,651, an increase of approximately 2.65% from June 30, 2022 to June 30, 2023.
- The Council's fund revenues increased by \$469,908, or 8.07%, from June 30, 2022 to June 30, 2023.
- The Council's fund expenditures increased by \$786,658, or 14.58% from June 30, 2022 to June 30, 2023.
- The unassigned fund balance for the Council's general fund was \$569,583 at June 30, 2023 which is a \$4,626,701, or 89.04%, decrease from the prior fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Council's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

Basic Financial Statements

The basic financial statements include two kinds of statements that present different perspectives of the Council: *Government-wide Statements*, and *Fund Financial Statements*.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances, in a manner like a private-sector business. The government-wide financial statements outline functions of the Council that are principally supported by grants, property taxes, and intergovernmental revenues (governmental activities). Capital assets are also supported by grants, property taxes, and intergovernmental revenues.

Statement of Net Position

The statement of net position presents information on all the Council's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

Statement of Activities

The statement of activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The statement of activities is focused on both the gross and net cost of various activities. This is intended to summarize and simplify the reader's analysis of the revenues and costs of various government activities and the degree to which activities are subsidized by general revenues.

Both government-wide financial statements distinguish functions of the Council that are principally supported by grants, property taxes, and intergovernmental revenues (governmental activities). The governmental activities of the Council include health, welfare, and social services. The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Council are reported as governmental funds.

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on fund balances at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the balance sheet - governmental funds and in the statement of revenues, expenditures, and changes in fund balances - governmental funds for six major funds and an aggregate total for all nonmajor funds. The Council's major governmental funds are the General Fund, Title III B Supportive Services Fund, Title III C-1 Congregate Meals Fund, Title III C-2 Home-Delivered Meals Fund, Capital Projects Fund, and Senior Center Fund. Individual fund data for the Council's nonmajor governmental funds are provided in the form of combining statements within the supplementary information section of this report. The governmental fund financial statements can be found on pages 17 through 21.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and the Fund Financial Statements.

Required Supplementary Information

In addition to this discussion and analysis, this report also presents required supplementary information on budgetary comparisons on pages 44 through 48 of this report.

Other Supplementary Information

The combining statements referred to earlier are presented immediately following the required supplementary information and can be found on pages 50 and 51. The Council also presents the comparative statement of capital assets and changes in capital assets, as required by the Governor's Office of Elderly Affairs, on page 52, and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513(A), on page 53.

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

The Council presents the schedule of expenditures of Federal awards on pages 60 and 61 as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

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

The following table reflects condensed information on the Council's net position:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Increase (Decrease)</u>
Assets:			
Current and other assets	\$ 5,684,581	\$ 5,553,322	\$ 131,259
Capital Assets, net of depreciation	<u>1,888,651</u>	<u>1,839,935</u>	<u>48,716</u>
Total Assets	7,573,232	7,393,257	179,975
Deferred Outflows	-	84,844	(84,844)
Liabilities:			
Current liabilities	390,754	182,309	208,445
Total Liabilities	<u>390,754</u>	<u>182,309</u>	<u>208,445</u>
Deferred Inflows	-	221,989	(221,989)
Net Position:			
Net investment in Capital Assets	1,888,651	1,839,935	48,716
Unrestricted	<u>5,293,827</u>	<u>5,233,868</u>	<u>59,959</u>
Total Net Position	<u>\$ 7,182,478</u>	<u>\$ 7,073,803</u>	<u>\$ 108,675</u>

Restricted net position is available only for expenditures that meet legislative requirements. Conversely, unrestricted net position does not have any limitations on how these amounts may be spent.

Current and other assets increased by \$131,259, approximately 2.36%, from June 30, 2022 to June 30, 2023, due primarily to an increase in accounts receivable. Capital assets increased by \$48,716, approximately 2.65% from June 30, 2022 to June 30, 2023, due to the addition of new capital assets.

The reduction in the deferred outflows and the deferred inflows is due to classifying these items in accordance with GASB Statement No. 65 and Concepts Statement No. 4, which defines deferred inflows and outflows as consumption and acquisition of net position, which did not occur during the year ended June 30, 2023.

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

The following table shows condensed information in the changes to the Council's net position for the year ended June 30, 2023 versus June 30, 2022:

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
REVENUES				
Program Revenues:				
Charges for Services	\$ 4,765	\$ 159	\$ 4,606	2,896.97 %
Operating Grants and Contributions	3,823,022	3,651,805	171,217	4.69 %
General Revenues:				
Unrestricted Grants and Contributions	8,590	129	8,461	6,558.91 %
Ad Valorem Taxes	2,177,744	2,099,278	78,466	3.74 %
Interest Income	189,458	17,445	172,013	986.03 %
Other General Revenues	<u>86,168</u>	<u>51,023</u>	<u>35,145</u>	<u>68.88 %</u>
TOTAL REVENUES	<u>6,289,747</u>	<u>5,819,839</u>	<u>469,908</u>	<u>8.07 %</u>
EXPENSES				
Program Expenses:				
Supportive Social Services:				
Transportation	2,330,407	2,129,463	200,944	9.44 %
Other Supportive Social Services	758,180	626,144	132,036	21.09 %
Nutrition Services	952,251	881,981	70,270	7.97 %
Senior Citizen Center	526,519	573,576	(47,057)	(8.20)%
Other Program Expenses	217,796	107,325	110,471	102.93 %
Administration and Other	<u>1,395,919</u>	<u>1,075,925</u>	<u>319,994</u>	<u>29.74 %</u>
TOTAL EXPENSES	<u>6,181,072</u>	<u>5,394,414</u>	<u>786,658</u>	<u>14.58 %</u>
Change in Net Position	108,675	425,425	(316,750)	(74.45) %
Net Position – beginning	7,073,803	6,826,428	247,375	3.62 %
Prior Period Adjustment	<u>–</u>	<u>(178,050)</u>	<u>178,050</u>	<u>100.00 %</u>
Net Position – ending	<u>\$ 7,182,478</u>	<u>\$ 7,073,803</u>	<u>\$ 108,675</u>	<u>1.54 %</u>

The Council's revenues increased by \$469,908 or 8.07%, from June 30, 2022 to June 30, 2023 mainly due to increased funding from the GOEA in ARP funds, as well as increases in interest due to interest rate increases and an increase in property taxes collected.

Net position increased by \$108,675, approximately 1.54%, from June 30, 2022 to June 30, 2023 due to revenues exceeding expenses.

ST.TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

Financial Analysis of the Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Council's funds are reported as governmental funds and provide information on near-term inflows, outflows, and balances of resources available for future spending. Such information is useful in assessing the Council's financing requirements.

Types of governmental funds reported by the Council include the following major funds: General Fund, Title III B Supportive Services Fund, Title III C-1 Congregate Meals Fund, Title III C-2 Home-Delivered Meals Fund, Capital Projects Fund, and Senior Center Fund. At the end of the June 30, 2023 fiscal year, the Council's governmental funds reported combined fund balances of \$5,350,306, an increase of \$69,178, approximately 1.31%, over the June 30, 2022 fiscal year. Of the total fund balances, \$569,583 is unassigned. The unassigned balance constitutes the fund balances that are accessible to meet the Council's needs. The remainder of the governmental fund balances include \$82,273 nonspendable for items that are not expected to be converted to cash, such as prepaid expenses and deposits, \$1,000,000 that is assigned for an emergency reserve for operating expenses, and \$3,698,450 which is the fund balance of the Capital Projects Fund.

For the year, the General Fund's total revenues exceeded expenditures by \$989,632, before transfers and other items of \$(4,618,904), resulting in the total general fund balance decreasing by \$(3,629,272). Overall, the growth in revenues, particularly in operating grants and ad valorem taxes was partly offset by transfers to other funds to meet spending requirements, as well as expenditure growth, particularly in community health, welfare, and social services, due to growing demand for services. Additionally, there was a transfer of \$3,900,000 to the Capital Projects Fund during the 2023 year. The net result was a decrease in fund balance this fiscal year.

General Fund Budgetary Highlights

The Council's budget was amended once during the 2023 fiscal year. The final budgeted expenditures and other uses of the General Fund were \$9,013,202 and revenues and other sources were budgeted at \$4,697,494, with the difference to be funded by prior year funds available in the unassigned fund balance. Actual expenditures and other uses of the general fund were less than the budgeted amounts by \$908,649, approximately 10.08%.

Revenues and other sources were less than budgeted amounts by \$222,213, approximately 4.73%. The Council budgeted \$2,250,158 from the St. Tammany Parish grant and approximately \$1,942,318 of this amount was received during the year, resulting in a budget variance.

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

Additionally, budget variances for revenues are also due to some of the Council's senior centers being closed and services provided being limited due to the ongoing effects of COVID-19. The budgetary comparison schedules of the major governmental funds can be found on pages 44 through 48. All other variances are roughly in line with management's expectations.

Capital Assets

At June 30, 2023 the Council had \$1,888,651 invested in capital assets, net of accumulated depreciation. This investment in capital assets consisted of the following at June 30:

**Capital Assets, Net of Depreciation at Year End
 Governmental Activities**

	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
Assets not being Depreciated:				
Construction in Progress	\$ 201,550	\$ -	\$ 201,550	100.00 %
Land	<u>679,644</u>	<u>628,860</u>	<u>50,784</u>	<u>8.08 %</u>
Total Assets not being Depreciated	<u>881,194</u>	<u>628,860</u>	<u>252,334</u>	<u>40.13 %</u>
Assets being Depreciated:				
Building & Leasehold Improvements	1,158,804	1,158,804	-	0.00 %
Vehicles	1,121,358	1,121,358	-	0.00 %
Office Furniture & Equipment	91,029	89,650	1,379	1.54 %
Computer Equipment & Software	141,556	197,005	(55,449)	28.15 %
Nutrition Equipment	<u>53,837</u>	<u>24,498</u>	<u>29,339</u>	<u>119.76 %</u>
	<u>2,566,584</u>	<u>2,591,315</u>	<u>(24,731)</u>	<u>(0.95) %</u>
Accumulated Depreciation	<u>(1,559,127)</u>	<u>(1,380,240)</u>	<u>(178,887)</u>	<u>(12.96) %</u>
Net Assets being Depreciated	<u>1,007,457</u>	<u>1,211,075</u>	<u>(203,618)</u>	<u>(16.81) %</u>
Net Capital Assets	<u>\$1,888,651</u>	<u>\$ 1,839,935</u>	<u>\$ 48,716</u>	<u>2.65 %</u>

The Council's investment in capital assets, net of accumulated depreciation, increased by \$48,716, or 2.27%, from June 30, 2022 to June 30, 2023 due to more capital asset additions than depreciation. Additions made during the 2023 fiscal year include the following:

Construction in Progress	\$ 201,550
Land	50,784
Office Furniture and Equipment	1,379
Computer Equipment & Software	19,642
Nutrition Equipment	<u>29,339</u>
	<u>\$ 302,694</u>

ST. TAMMANY COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – CONTINUED
June 30, 2023

Economic Factors and Next Year's Operations and Rates

The Council receives most of its funding from federal, state, and local agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of services provided by the Council and, therefore, revenues may vary from year to year.

In setting its budget for fiscal 2024, management took into consideration program adjustments that may be necessary due to the lingering effects of the COVID-19 pandemic. Temporary shutdowns for some programs, as well as increased need for others, were considered and budgeted appropriately.

Most of the property tax revenue that is expected to be received in the fiscal year will be received between January and March of 2024. Since the timing of the receipt of these funds is in the latter part of the fiscal year, the Council maintains significant cash balances at fiscal year-end in order to maintain continuity of operations in the next fiscal year until the property tax payments are received.

Contacting the Council's Management

This financial report is designed to provide a general overview of the Council's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Julie Agan, Executive Director, P.O. Box 171, Covington, Louisiana, 70434 (72060 Ramos Avenue, Covington, Louisiana, 70433); 985-892-0377; coast@coastseniors.org.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ST. TAMMANY COUNCIL ON AGING, INC.

STATEMENT OF NET POSITION

June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash and Cash Equivalents	\$ 313,178
Accounts Receivable, net	391,014
Pooled Investments	4,898,116
Deposits	1,000
Prepaid Expenses	81,273
Capital Assets Not Being Depreciated	881,195
Capital Assets, Net of Accumulated Depreciation	<u>1,007,456</u>
 TOTAL ASSETS	 7,573,232
 LIABILITIES	
Accounts Payable	97,707
Accrued Payroll and Related Liabilities	89,497
Unearned Revenue	147,071
Noncurrent Liabilities:	
Accrued Compensated Absences	<u>56,479</u>
 TOTAL LIABILITIES	 390,754
 NET POSITION	
Net Investment in Capital Assets	1,888,651
Unrestricted	<u>5,293,827</u>
 TOTAL NET POSITION	 <u>\$ 7,182,478</u>

ST. TAMMANY COUNCIL ON AGING, INC.

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

<u>Functions/Programs</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Program Revenues</u>			<u>Capital Grants and Contributions</u>	<u>Total Net Position</u>	<u>Net Revenue (Expense) and Changes in Net Position</u>					
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>								
Governmental Activities:													
Health, Welfare and Social Services:													
Supportive Social Services:													
Transportation	\$ 1,758,404	\$ 572,003	\$ 782	\$ 1,971,102	\$ -	-	\$ (358,523)						
Homemaker	105,544	7,146	-	52,143	-	-	(60,547)						
Legal	35,313	1,354	-	16,967	-	-	(19,700)						
Information and Assistance	77,256	5,846	-	38,453	-	-	(44,649)						
Outreach	73,515	4,364	-	36,036	-	-	(41,843)						
Personal Care	148,315	7,834	-	72,253	-	-	(83,896)						
Medic Alert	36,768	2,141	-	18,004	-	-	(20,905)						
Other Services	207,428	45,356	-	141,712	-	-	(111,072)						
Nutritional Services:													
Congregate Meals	294,067	9,467	3,295	300,820	-	-	581						
Home Delivered Meals	583,131	65,586	688	573,721	-	-	(74,308)						
Health Promotion/Disease Prevention	94,065	5,445	-	51,650	-	-	(47,860)						
Family Caregiver Support	94,972	689	-	95,661	-	-	-						
Senior Citizen Center	380,888	145,631	-	354,557	-	-	(171,962)						
Restricted Utility Assistance	21,547	1,078	-	11,691	-	-	(10,934)						
Administration	2,269,859	(873,940)	-	88,252	-	-	(1,307,667)						
Total governmental activities	<u>\$ 6,181,072</u>	<u>\$ -</u>	<u>\$ 4,765</u>	<u>\$ 3,823,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,353,285)</u>						
General Revenues:													
Grants and Contributions not Restricted to Specific Programs							8,590						
Ad Valorem Taxes							2,177,744						
State Revenue Sharing							40,938						
Interest Income							189,458						
Other Income							<u>45,230</u>						
Total General Revenues							<u>2,461,960</u>						
Change in Net Position							108,675						
Net position:													
Beginning of the year							<u>7,073,803</u>						
End of the year							<u>\$ 7,182,478</u>						

**FUND FINANCIAL STATEMENTS -
GOVERNMENTAL FUNDS**

ST. TAMMANY COUNCIL ON AGING, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue Funds										Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Title III B Supportive Services Fund	Title III C-1 Congregate Meals Fund	Title III C-2 Home-Delivered Meals Fund	Senior Center Fund	Capital Projects Fund						
ASSETS												
Cash and Cash Equivalents	\$ 93	\$ -	\$ 40,133	\$ 2,892	\$ 5,095	\$ 157,841	\$ 107,124	\$ 313,178				
Accounts Receivable, net	192,181	23,467	145,081	22,936	-	-	7,349	391,014				
Pooled Investments	1,357,468	-	-	-	-	3,540,648	-	4,898,116				
Deposits	1,000	-	-	-	-	-	-	1,000				
Prepaid Expenses	81,273	-	-	-	-	-	-	81,273				
Due From Other Funds	143,828	-	-	-	-	-	-	143,828				
TOTAL ASSETS	\$ 1,775,843	\$ 23,467	\$ 185,214	\$ 25,828	\$ 5,095	\$ 3,698,489	\$ 114,473	\$ 5,828,409				
LIABILITIES												
Accounts Payable	\$ 35,219	\$ 12,995	\$ 10,996	\$ 25,828	\$ 5,095	\$ 39	\$ 7,535	\$ 97,707				
Accrued Payroll & Related Liabilities	88,768	729	-	-	-	-	-	89,497				
Unearned Revenue	-	-	40,133	-	-	-	-	106,938				147,071
Due To Other Funds	-	9,743	134,085	-	-	-	-	-				143,828
TOTAL LIABILITIES	123,987	23,467	185,214	25,828	5,095	39	114,473	478,103				
FUND BALANCES												
Nonspendable:												
Prepaid Expenses	81,273	-	-	-	-	-	-	81,273				
Deposits	1,000	-	-	-	-	-	-	1,000				
Committed	-	-	-	-	-	3,698,450	-	3,698,450				
Assigned	1,000,000	-	-	-	-	-	-	1,000,000				
Unassigned	569,583	-	-	-	-	-	-	569,583				
TOTAL FUND BALANCES	1,651,856	-	-	-	-	3,698,450	-	5,350,306				
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,775,843	\$ 23,467	\$ 185,214	\$ 25,828	\$ 5,095	\$ 3,698,489	\$ 114,473	\$ 5,828,409				

See Notes to Financial Statements.

ST. TAMMANY COUNCIL ON AGING, INC.

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2023

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

Fund Balances - Governmental Funds	\$ 5,350,306
Capital assets used in governmental activities are not financial resources and; therefore, are not reported in the governmental funds:	
Governmental capital assets, net of depreciation	1,888,651
Liabilities that are not due and payable in the current period are not reported in the governmental funds balance sheet; however, the liabilities are recorded in the statement of net position.	
Accrued compensated absences	(56,479)
Net Position of Governmental Activities	\$ 7,182,478

ST. TAMMANY COUNCIL ON AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	General Fund	Special Revenue Funds				Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds				
		Title III B Supportive Services Fund	Title III C-1 Congregate Meals Fund	Title III C-2 Home-Delivered Meals Fund	Senior Center Fund							
REVENUES												
Intergovernmental Revenues:												
GOEA:												
Primary Grants	\$ -	\$ 236,418	\$ 219,490	\$ 338,883	\$ 354,557	\$ -	\$ 229,933	\$ 1,379,281				
NSIP Grants	-	-	130,196	-	-	-	-	130,196				
ARPA Funding	-	177,394	15,552	171,363	-	-	4,175	368,484				
St. Tammany Parish	1,942,318	-	-	-	-	-	-	1,942,318				
State Revenue Sharing	40,938	-	-	-	-	-	-	40,938				
Ad Valorem Taxes	2,249,532	-	-	-	-	-	-	2,249,532				
Utility Assistance	2,744	-	-	-	-	-	-	2,744				
Client Contributions for Services	-	782	3,295	688	-	-	-	4,765				
Public Donations	4,590	4,000	-	-	-	-	-	8,590				
Interest Income	189,458	-	-	-	-	-	-	189,458				
Other Income	45,230	-	-	-	-	-	-	45,230				
TOTAL REVENUES	4,474,810	418,594	368,533	510,934	354,557	-	234,108	6,361,536				

See Notes to Financial Statements.

ST. TAMMANY COUNCIL ON AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS - CONTINUED
For the Year Ended June 30, 2023

	General Fund	Special Revenue Funds				Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Title III B Supportive Services Fund	Title III C-1 Congregate Meals Fund	Title III C-2 Home-Delivered Meals Fund	Senior Center Fund			
EXPENDITURES								
Salaries and Wages	1,562,210	533,165	119,808	115,700	268,767	-	86,299	2,685,949
Employee Benefits	454,965	177,416	23,130	19,419	84,533	-	6,133	765,596
Operating Services	819,708	133,155	-	68,203	109,367	-	98,155	1,228,588
Operating Supplies	270,636	8,030	-	20,745	56,942	-	389	356,742
Other Operating Costs	103,639	1,908	43	909	2,157	-	27,313	135,969
Client Meals	-	-	160,552	418,729	-	-	-	579,281
Travel	5,974	40,629	-	48	2,000	-	-	48,651
Non-GOEA Expenditures	102,214	-	-	6,167	-	-	8,719	117,100
Ad Valorem Pension Assessment	71,788	-	-	-	-	-	-	71,788
Capital Outlay	94,044	-	-	-	-	201,550	7,100	302,694
TOTAL EXPENDITURES	3,485,178	894,303	303,533	649,920	523,766	201,550	234,108	6,292,358
Excess (Deficiency) of Revenues over Expenditures	989,632	(475,709)	65,000	(138,986)	(169,209)	(201,550)	-	69,178
OTHER FINANCING SOURCES (USES)								
Operating Transfers in	471	475,709	-	138,986	169,209	3,900,000	-	4,684,375
Operating Transfers out	(4,619,375)	-	(65,000)	-	-	-	-	(4,684,375)
TOTAL OTHER FINANCING SOURCES (USES)	(4,618,904)	475,709	(65,000)	138,986	169,209	3,900,000	-	-
Net Change in Fund Balance	(3,629,272)	-	-	-	-	3,698,450	-	69,178
Fund Balances, Beginning	5,281,128	-	-	-	-	-	-	5,281,128
Fund Balances, Ending	\$ 1,651,856	\$ -	\$ -	\$ -	\$ -	\$ 3,698,450	\$ -	\$ 5,350,306

See Notes to Financial Statements.

ST. TAMMANY COUNCIL ON AGING, INC.
**RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 69,178
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of some assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and loss on disposal in the current period:

Capital outlays	\$ 302,694
Net loss on disposal of assets	(3,302)
Depreciation expense	<u>(250,676)</u> <u>48,716</u>

Annual changes in accrued compensated absences are not recorded in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.

Change in accrued compensated absences	<u>(9,219)</u>
Change in Net Position of Governmental Activities	<u>\$ 108,675</u>

**NOTES TO THE PRIMARY GOVERNMENT
BASIC FINANCIAL STATEMENTS**

ST. TAMMANY COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the St. Tammany 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). The following is a summary of certain significant accounting policies used by the Council:

Purpose of the St. Tammany 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 St. Tammany Parish (the Parish); 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 of other local agencies serving the aging people of the Parish; 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 the Parish.

Specific services provided by the Council to the elderly residents of the Parish include providing congregate and home-delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, medic alert units, in-home respite care, personal care, sitter services, support groups, public education, senior centers, utility assistance, homemakers, recreation, legal assistance, wellness, and transportation. The Council also provides transportation services to the public, primarily the elderly of the Parish.

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. 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 Council is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on April 4, 1967 and subsequently incorporated on September 5, 1968 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reporting Entity - Continued

A Board of Directors, consisting of fifteen (15) voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. A 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 who is representative of the population of the Parish. Nominations to fill expiring terms of board members are made in April to the Council's membership committee that will consider and screen the nominations. The membership committee nominates who it believes to be the best-qualified persons to the board. The members of the Council elect board members at their annual membership meeting in June. Any adult citizen of the Parish, age 18 and over, may register to be a member of the Council. Membership fees are not charged.

Based on the criteria set forth in GASB Codification Section 2100, Defining the Financial Reporting Entity, the Council is not a component unit of another primary government nor does it have any component units that are related to it. The Council presents its financial statements as a special purpose, stand-alone government; accordingly, it applies the provisions of GASB as if it were a primary government.

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, whose purpose are to 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 and the Statement of Activities 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 generally are supported by intergovernmental revenues and property tax revenues.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Government-Wide Financial Statements - Continued

In the government-wide Statement of Net Position, a single column is presented for total governmental activities which are presented on a consolidated basis.

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 – net investment in capital assets, restricted net position, if any, 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. Many functions and programs are supported by general government revenues such as, intergovernmental revenues, property taxes, and unrestricted public support, particularly if the function or program has a net cost. 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 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 costs. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs. 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 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. 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. There were no special items this year.

Fund Financial Statements

The daily accounts and operations of the Council continue to be organized using funds and account groups. 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, fund balances, 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 how spending activities are controlled. The various funds are reported by generic classification within the financial statements.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements - Continued

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 position. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the 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, no additional funds were deemed to be major funds by management. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

The following is a description of the governmental funds of the Council:

- 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 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. Expenditures to acquire capital assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are generally recorded in the local program. Because these funds are mostly unrestricted, they are often transferred to other programs and funds to eliminate deficits in cases where the expenditures of the other programs and funds exceeded their revenues.
 - Senior Citizen Activities - The Council operates centers in Slidell, Lacombe, Covington, Mandeville, Madisonville, Folsom, Bush, and Pearl River. The revenues and related expenditures for senior center activities are maintained separately within the Council's general ledger.
- Special Revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital Projects funds are used to account for funds used in the construction of capital assets.

The following is a description of the major governmental funds of the Council:

- Title III B Supportive Services Fund - The Title III B Supportive Services Fund accounts for funds used to provide various units of supportive social services to the elderly. GOEA established the criteria for a qualifying unit of service for each Title III program.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements – Continued

Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

Service	Units
Home Repairs	131
Homemaker	4,674
Information and Assistance	2,040
Legal Assistance	543
Material Aid	248
Medic Alert	917
Nutrition Counseling	19
Nutrition Education	470
Outreach	25
Personal Care	1,971
Transportation	23,063
Wellness	2,598

- Title III C-1 Congregate Meals Fund - The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people aged 60 or older in strategically located centers throughout the Parish. The Council maintains meal sites in Slidell, Mandeville, Covington, Lacombe, Folsom, Bush, and Pearl River. During the year, the Council served 41,276 meals to people eligible to participate in this program.
- Title III C-2 Home-Delivered Meals Fund - The Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 102,465 meals during the year to people eligible to participate in this program.
- Senior Center Fund - The Senior Center Fund accounts for the administration of senior center program funds 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 a community service center where elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The primary senior centers for the Parish are in Covington, Lacombe, Mandeville, and Slidell.
- Capital Projects Fund – The Capital Projects fund accounts for funds used in the construction of a new Senior Center.

In addition, satellite senior centers are in Madisonville, Folsom, Pearl River, and Bush. Senior center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Management did not transfer any of this year's senior center grant funds to any other programs. All revenue received in the Senior Center Fund account was used to pay operating costs for the senior centers.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Financial Statements – Continued

The following is a description of the nonmajor governmental funds of the Council:

- Area Agency Administration (AAA) Fund - The Area Agency Administration Fund is used to account for a portion of the indirect costs of administering the Council's programs. The Council allocates administrative costs to this fund first. Once GOEA funds are completely used, any indirect costs in excess of the funds provided by GOEA are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs. Indirect costs are not allocated to all funds because program restrictions may prohibit or limit the payment of administrative costs.
- Title III D Disease Prevention and Health Promotion Services Fund - The Title III D Fund accounts are used for wellness, which includes disease prevention and health promotion activities. During the year, the Council provided 3,665 units of health promotion & disease prevention.
- Title III E National Family Caregiver Support Fund - The Title III E Fund accounts relate to the National Family Caregiver Support program. The National Family Caregiver Support program is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. This program targets older, low-income individuals. Specific types of services that can be provided by this program include material aid, support groups, respite care, sitter service, and information and assistance. Eligible participants include (1) adult family members, or another adult person, who provide uncompensated in-home and community care to an older person who needs supportive services or (2) grandparents, or a person 60 years of age or older, who is related to a child by blood or marriage and (a) lives with the child, (b) is the primary caregiver, and (c) has a legal relationship to the child or is raising the child informally. During the year, the Council provided 160 units of information and assistance, 2,410 units of in-home respite care, 375 units of material aid, 26 units of support group services, 84 units of public education, and 85 units of case management.
- Supplementary Senior Center Fund - The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. Due to the census, the Council was one of the parish councils to receive an amended supplemental grant. The money received by this fund during the year is transferred to the Senior Center Fund to supplement the services provided by this fund. GOEA provided these funds to the Council.
- Utility Assistance Fund - The Utility Assistance Fund accounts for the administration of utility assistance programs sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to aid the elderly for the payment of utility bills. The contributions can only be used to pay for direct services. No indirect or administration expenses can be paid for with these funds. The Council's general policy is to provide utility assistance of up to \$75 per eligible person twice per year.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Financial Statements – Continued

- STPH Fund - The STPH Fund accounts for funds used to expand the public health workforce.

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 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 current assets and current liabilities are included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within six months of the current fiscal year end, except for property tax revenues, which are accrued if they are collected within 60 days of 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 that is not recognized in the governmental funds.

Net Position in the Government-Wide Financial Statements

In the government-wide Statement of Net Position, the net asset amount is classified and displayed in three components:

- *Net investment in capital assets* - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position in the Government-Wide Financial Statements - Continued

- *Restricted net position* - consists of net position with constraints placed on its 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* - consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's normal policy is to use restricted resources first to finance its activities, except for nutrition services.

When providing nutrition services, revenues earned by the Council under its NSIP contract are used to pay for raw food that is bought and served to a person eligible to receive a meal under the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Unrestricted resources are available for use that must be consumed or they will be returned to the grantor agency; therefore, management elects to apply and consume the unrestricted resources before the restricted resources. As a result, in this case, the Council will depart from its usual policy of using restricted resources first.

Fund Balance – Fund Financial Statements

The Council has adopted GASB Codification Sections 1300, *Fund Accounting*, and 1800, *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* - consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Council to assess, levy, change, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* - consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Fund Balance – Fund Financial Statements – Continued

- **Assigned** - consists of amounts that are constrained by the Council's intent to be used for specific purposes but are neither restricted nor committed.
- **Unassigned** - consists of amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted resources are available for use, the Council uses restricted resources first, then unrestricted resources (committed, assigned, and unassigned).

When fund balance resources are available for a specific purpose in multiple classifications, the Council would 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. As of June 30, 2023, the Council had no restricted fund balances.

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 its programs.
- Management projects property tax revenues based on past trends and data available at the St. Tammany Assessor's Office (the Assessor) to form expectations of future revenues.
- The revenue information supplied by GOEA and the Assessor are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed 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 prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to 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, management 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.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Budgetary Reporting - Continued

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to GOEA and approved by that agency.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items in its budget as often as required but must obtain compliance approval from GOEA for funds received under grants from this agency. As part of its grant compliance, 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.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large 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 activities may not be budgeted, particularly if they are deemed to be immaterial by management.

Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. 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, transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position.

Cash and Cash Equivalents

Cash and cash equivalents include not only currency on hand, but also demand deposits and money market funds with banks or other financial institutions. The Council considers all highly liquid investments with a maturity of three months or less to be cash equivalents. For purposes of the Statement of Net Position, restricted cash are amounts 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.

Accounts Receivable

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as a bad debt at that time.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Investments

GASB Codification Section 150, *Investments*, requires the Council to report its investments at fair value in the Statement of Net Position, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council had investments of \$4,898,116 at June 30, 2023.

Prepaid Expenses

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, the Council 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 the Council's 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 shown as nonspendable to reflect the amount of fund balance not currently available for expenditures.

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 that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. 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.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Capital Assets - Continued

The estimated useful lives of the various classes of depreciable capital assets are as follows:

<u>Category</u>	<u>Years</u>
Buildings and Leasehold Improvements	20-30
Vehicles	5-9
Office Furniture and Equipment	6-10
Computer Equipment and Software	5
Nutrition Equipment	5

When calculating depreciation, the State of Louisiana'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 placed in service or disposed.

Fund Financial Statements - 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.

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 government-wide statements. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented anywhere else in these statements. The Council had no non-current liabilities at June 30, 2023.

Unearned Revenue

Unearned revenue represents payments received by the Council for services that will be delivered at some point in the future.

Compensated Absences

The Council's policies for vacation leave permits employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide financial statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to 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. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect as of June 30, 2023.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Compensated Absences - Continued

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. 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 accruing 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 or the fund financial statements relative to sick leave.

Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned under 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 are usually both measurable and available. However, the timing and amounts of the receipts of public support, fund-raisers, and miscellaneous revenues are often difficult to measure; therefore, they are generally recorded as revenue in the period received.

Management's Use of Estimates

The preparation of financial statements in conformity with United States 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.

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 expenses 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, contract, or donor restrictions.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE I – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes

Under the provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Council is exempt from taxes on income other than unrelated business income. Since the Council had no net unrelated business income during the year ended June 30, 2023, no provision for income tax was made. Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Council believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

NOTE 2 – CASH AND CASH EQUIVALENTS

The Council maintains a consolidated operating bank account at a financial institution, which is available for use by all funds to deposit revenues and pay expenses. 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 a demand deposit account for payroll disbursements and a savings account for easy access to funds should they be needed for operations.

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council does not have a deposits policy for custodial risk. The Council's deposits were insured through an insured cash sweep service.

NOTE 3 – INVESTMENTS

At June 30, 2023, the Council had an investment of \$4,898,116 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation, organized under the laws of the State of Louisiana. 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 LRS 33:2955.

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 3 – INVESTMENTS – CONTINUED

- **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 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% 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 disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/ variable rate investments. The WAM for LAMP's total investments is 56 days as of June 30, 2023.
- **Foreign currency risk:** Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 were as follows:

	GOEA	St. Tammany	Total
		Parish	Receivables
General Fund	\$ 454	\$ 145,645	\$ 192,181
Title III C-1 Congregate Meals Fund	145,081	-	145,081
Title III C-2 Home-Delivered Meals Fund	22,936	-	22,936
Title III B Supportive Services Fund	23,467	-	23,467
Area Agency Administration (AAA)	7,349	-	7,349
	\$ 199,287	\$ 145,645	\$ 391,014

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 5 – CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	<u>Balances 7/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 6/30/2023</u>
Capital Assets not being depreciated:				
Construction in Progress	\$ -	\$ 201,550	\$ -	\$ 201,550
Land	<u>628,860</u>	<u>50,784</u>	<u>-</u>	<u>679,644</u>
Total Capital Assets not being depreciated	628,860	252,334	-	881,194
 Capital Assets being depreciated:				
Building and leasehold improvements	1,158,804	-	-	1,158,804
Vehicles	1,121,358	-	-	1,121,358
Office furniture and equipment	89,650	1,379	-	91,029
Computer equipment and software	197,005	19,642	(75,091)	141,556
Nutrition equipment	<u>24,498</u>	<u>29,339</u>	<u>-</u>	<u>53,837</u>
Total Capital Assets being depreciated	2,591,315	50,360	(75,091)	2,566,584
 Less Accumulated Depreciation:				
Building and leasehold improvements	(357,136)	(47,657)	-	(404,793)
Vehicles	(810,392)	(170,799)	-	(981,191)
Office furniture and equipment	(61,553)	(7,210)	-	(68,763)
Computer equipment and software	(128,840)	(20,759)	71,789	(77,810)
Nutrition equipment	<u>(22,319)</u>	<u>(4,251)</u>	<u>-</u>	<u>(26,570)</u>
Total Accumulated Depreciation	(1,380,240)	(250,676)	71,789	(1,559,127)
 Capital Assets, Net	\$ 1,839,935	\$ 52,018	\$ (3,302)	\$ 1,888,651

The Council's management has reviewed the remaining capital assets and does not believe any of them to have been impaired as of fiscal year-end. Depreciation was charged to governmental activities as follows:

Administration	\$ 130,213
Supportive Social Services: Transportation	104,972
Senior Citizen Center Operations	1,763
Nutrition Services: Congregate Meals	4,251
Nutrition Services: Home-Delivered Meals	8,842
Other Services - STPH	<u>635</u>
	\$ 250,676

NOTE 6 – COMPENSATED ABSENCES

For purposes of the Statement of Net Position, the Council has presented all its accumulated unpaid vacation leave as a current liability. Vested amounts should be used before the end of the next fiscal year; therefore, no liability for vacation leave has been presented in the balance sheet- governmental funds. Vacation leave is not a liability until the employee has made a request to use it or terminates employment with the Council. As of June 30, 2023, compensated absences were \$56,479.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 7 – AD VALOREM TAX

During fiscal year 2009, a property tax was adopted by the voters of the Parish to provide money to finance the Council's operations. The property tax was renewed for an additional 10-year period in December 2016. The Assessor will assess the property tax each November 15 for ten years. The tax will be based upon the assessed value, less homestead exemptions, on all real and business property located within the Parish. The tax is for a maximum of two mills, with 50% of the tax going to the Council and the other 50% going to the St. Tammany ARC.

Property taxes are due on November 15 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 St. Tammany Parish Sheriff (the Sheriff) acts as the collection agent for property taxes and does not charge the Council any commission for performing this service. To collect all taxes due for the Parish, the Sheriff will have a tax sale each year.

The Council records property taxes as revenues in accordance with the modified accrual basis of accounting. The Council also accrues, as current year revenues, any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available.

Property tax revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds include \$71,788 withheld by the Sheriff to make on-behalf payments for fringe benefits, which represent the Council's pro rata share of retirement plan contributions for other governmental units. This amount has been included as a component of intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. For purposes of the government-wide Statement of Activities, property tax revenues of \$2,249,532 were reduced by \$71,788 withheld by the Parish for retirement benefits and administrative charges to produce net property tax revenue of \$2,177,744, which was a component of general revenues on that statement.

NOTE 8 – IN-KIND CONTRIBUTIONS

The Council received a variety of in-kind contributions during the year but did not record the fair value of them in its government-wide and fund financial statements. 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 received the following in-kind contributions during the year for its senior centers and meal sites, which management estimates the aggregate in-kind value to be \$58,200:

- The Slidell Senior Center is furnished by the City of Slidell for an annual cost of \$1 for rent.
- The Mandeville meal site is furnished by the City of Mandeville without charge for rent and utilities.
- The Town of Pearl River furnishes the Pearl River meal site at no charge. Furthermore, the Council is responsible for paying the utility bills and a monthly cleaning fee.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 9 – BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board. Board members do not receive compensation. Board members can submit an expense request form for out-of-pocket expenses that are in accordance with the Council's travel reimbursement policy.

NOTE 10 – JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; officer and directors' liability; business interruption; natural disasters; and volunteer liability. Except for business interruption and certain acts of God, the Council has purchased commercial insurance, with deductibles ranging from \$0 to \$1,000, to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management, the outcome of such actions will have no material impact on the financial condition or results of operations for the Council.

NOTE 11 – 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 has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable as of June 30, 2023 might be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and 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 significant 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 12 – ECONOMIC DEPENDENCY

The Council's largest single source of revenue is from a property tax. If the property in the 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. Management is not aware of any other actions or events that would affect the Council.

The Council also receives significant amounts of its annual revenues from the GOEA. The 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 significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Council will receive next year relating to revenues it usually receives from GOEA.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 13 – RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended June 30, 2023.

NOTE 14 – LEASE AND RENTAL COMMITMENTS

The Council has entered into the following lease and rental agreements as of June 30, 2023:

On July 30, 1994, the Council entered into a 20-year lease with the City of Slidell whereby the Council will rent from the City, for \$1 per year, a building referred to as the Slidell Senior Citizens Center at 610 Cousin Street, Slidell, LA. The Council has the right to renew this lease for ten additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The City of Slidell will be responsible for any repair requiring labor and material of \$501 or more. On May 22, 2014, the Council renewed this lease for the additional 10 years under the same terms and conditions. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

On February 1, 2013, the Council entered into a Cooperative Endeavor Agreement with the Parish for use of the Bush Community Center located at 81605 Highway 41, Bush, LA. The Parish agrees to provide electric, water, and sewer utilities to the Center. The Council uses the Center on a non-exclusive basis and only for services to the Parish's senior citizens, including all services related thereto. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

On November 17, 2015, the Council entered into a Cooperative Endeavor Agreement with the City of Mandeville to lease a portion of the City of Mandeville's Community Center. The agreement will continue until a 30-day written notice to vacate is provided by either party. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

On August 1, 2018, the Council entered into a month to month lease agreement to rent the property at 27397 Highway 190, Lacombe, LA for \$1,300 per month. The Council is responsible for paying all utilities, including water, gas, electrical power, and fuel consumed in or on the premises. The Council is also responsible for maintaining fire and extended coverage insurance for the premises. The agreement will continue until a 30-day written notice to vacate is provided by either party. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

On August 23, 2018, the Council entered into a Cooperative Endeavor Agreement with St. Tammany Parish Recreation District No. 12 to lease the property at 13296 LA-40, Folsom, LA for \$150 per month. The Council is responsible for maintaining fire and extended coverage insurance for the premises. The agreement will continue until a 30-day written notice to vacate is provided by either party. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

On April 6, 2021, the Council entered into a Cooperative Endeavor Agreement with the Town of Pearl River to lease a portion of the Town's Community Center. The Council is responsible for paying 50% of the cost of the monthly utilities including electricity and water costs. The agreement was renewed for an additional year on April 20, 2022 and will continue until a 30-day written notice to vacate is provided by either party. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

ST. TAMMANY COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2023

NOTE 14 – LEASE AND RENTAL COMMITMENTS - CONTINUED

On April 1, 2023, the Council entered into a Cooperative Endeavor Agreement with the Town of Madisonville to lease a portion of the Town's Community Center. The Council is responsible for paying \$200 per month for supplies and electricity. The agreement will continue until a 30-day written notice to vacate is provided by either party. This lease is a short-term lease under the guidance of GASB Statement No. 87, Leases.

NOTE 15 – INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2023 as follows:

	Operating Transfers	
	In	Out
General Fund	\$ 471	\$ (4,619,375)
Title III B	475,709	-
Title III C-1	-	(65,000)
Title III C-2	138,986	-
Senior Center	169,209	-
Capital Projects Fund	3,900,000	-
Total	\$ 4,684,375	\$ (4,684,375)

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 to (b) shift unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations or operational needs. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

NOTE 16 – SIMPLE IRA

The Council offers a Savings Incentive Match Plan for Employees (SIMPLE) IRA Plan. The plan covers substantially all employees who make over \$5,000 in the current calendar year to participate in the following calendar year. Participant contributions are based on compensation, and the employer may make a matching or discretionary contribution. For the year ended June 30, 2023, the Council made contributions in the amount of \$33,194.

NOTE 17 – SUBSEQUENT EVENTS

The Council has evaluated subsequent events through the date the financial statements were available to be issued, which corresponds with the date of the independent auditors' report.

No material subsequent events have occurred since June 30, 2023, that require recognition or disclosure in these financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

ST. TAMMANY COUNCIL ON AGING, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues:				
St. Tammany Parish	\$ 2,250,158	\$ 2,250,158	\$ 1,942,318	\$ (307,840)
State Revenue Sharing	7,000	30,000	40,938	10,938
Ad Valorem taxes	2,131,656	2,223,657	2,249,532	25,875
Utility assistance	3,276	3,000	2,744	(256)
Public donations	1,000	5,000	4,590	(410)
Interest income	10,000	181,679	189,458	7,779
Other income	30,000	4,000	45,230	41,230
Total revenues	4,433,090	4,697,494	4,474,810	(222,684)
EXPENDITURES				
Salaries and wages	1,799,235	1,667,470	1,562,210	105,260
Employee benefits	558,522	484,125	454,965	29,160
Operating services	751,779	857,311	819,707	37,604
Operating supplies	265,695	303,111	270,636	32,475
Other operating costs	134,300	130,771	103,639	27,132
Travel	5,000	6,400	5,974	426
Non-GOEA expenditures	102,152	119,152	102,214	16,938
Ad Valorem Pension Assessment	-	72,000	71,788	212
Capital outlay	4,604,426	246,887	94,045	152,842
Total expenditures	8,221,109	3,887,227	3,485,178	402,049
Excess of revenues over expenditures	(3,788,019)	810,267	989,632	179,365
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	471	471
Operating transfers out	(1,275,045)	(5,125,975)	(4,619,375)	506,600
Total other financing uses	(1,275,045)	(5,125,975)	(4,618,904)	507,071
NET CHANGE IN FUND BALANCE				
Fund Balance				
Beginning of year	5,281,128	5,281,128	5,281,128	-
End of year	\$ 218,064	\$ 965,420	\$ 1,651,856	\$ 686,436

ST. TAMMANY COUNCIL ON AGING, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
TITLE III B – SUPPORTIVE SERVICES FUND
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental revenues:				
GOEA Grants:				
Primary Grants	\$ 236,418	\$ 236,418	\$ 236,418	\$ -
ARPA Funding	71,510	177,394	177,394	-
Public donations	-	4,000	4,000	-
Client contributions for services	1,000	1,000	782	(218)
Total revenues	308,928	418,812	418,594	(218)
EXPENDITURES				
Salaries and wages	395,523	580,200	533,165	47,035
Employee benefits	158,000	180,485	177,416	3,069
Operating services	229,068	298,093	133,155	164,938
Operating supplies	17,000	15,000	8,030	6,970
Other operating costs	3,500	3,000	1,908	1,092
Travel	20,000	40,629	40,629	-
Total expenditures	823,091	1,117,407	894,303	223,104
Deficiency of revenues over expenditures	(514,163)	(698,595)	(475,709)	222,886
OTHER FINANCING SOURCES				
Operating transfers in	514,163	698,595	475,709	(222,886)
Total other financing sources	514,163	698,595	475,709	(222,886)
NET CHANGE IN FUND BALANCE				
FUND BALANCE				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

ST. TAMMANY COUNCIL ON AGING, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
TITLE III C-1 – CONGREGATE MEALS FUND
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)	
	<u>Original</u>	<u>Final</u>	<u>Actual</u>		
REVENUES					
Intergovernmental revenues:					
GOEA Grants:					
Primary Grants	\$ 219,490	\$ 219,490	\$ 219,490	\$ -	
ARPA Funding	27,820	63,640	15,552	(48,088)	
NSIP Grants	129,005	130,196	130,196	-	
Client contributions for services	1,000	4,000	3,295	(705)	
Total revenues	377,315	417,326	368,533	(48,793)	
EXPENDITURES					
Salaries and wages	71,150	119,808	119,808	-	
Employee benefits	9,550	23,378	23,130	248	
Other operating costs	-	500	43	457	
Client meals	296,615	208,640	160,552	48,088	
Total expenditures	377,315	352,326	303,533	48,793	
Excess of revenues over expenditures	-	65,000	65,000	-	
OTHER FINANCING USES					
Operating transfers out	-	(65,000)	(65,000)	-	
Total other financing uses	-	(65,000)	(65,000)	-	
NET CHANGE IN FUND BALANCE					
FUND BALANCE					
Beginning of year	-	-	-	-	
End of year	\$ -	\$ -	\$ -	\$ -	

ST. TAMMANY COUNCIL ON AGING, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
TITLE III C-2 – HOME DELIVERED MEALS FUND
For the Year Ended June 30, 2023

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental revenues:				
GOEA Grants:				
Primary Grants	\$ 338,883	\$ 338,883	\$ 338,883	\$ -
ARPA Funding	77,510	171,363	171,363	-
STPH Grant	72,329	-	-	-
Client contributions for services	1,000	1,000	688	(312)
Total revenues	489,722	511,246	510,934	(312)
EXPENDITURES				
Salaries and wages	71,150	116,700	115,700	1,000
Benefits	23,150	25,216	19,419	5,797
Operating services	91,064	92,064	68,203	23,861
Operating supplies	32,000	27,000	20,745	6,255
Other operating costs	3,000	2,500	909	1,591
Client meals	598,291	577,909	418,729	159,180
Travel	2,000	2,000	48	1,952
Non-GOEA expenditures	6,000	6,000	6,167	(167)
Total expenditures	826,655	849,389	649,920	199,469
Deficiency of revenues over expenditures	(336,933)	(338,143)	(138,986)	199,157
OTHER FINANCING SOURCES				
Operating transfers in	336,933	338,143	138,986	(199,157)
Total other financing sources	336,933	338,143	138,986	(199,157)
NET CHANGE IN FUND BALANCE				
FUND BALANCE				
Beginning of year	\$ -	\$ -	\$ -	\$ -
End of year	\$ -	\$ -	\$ -	\$ -

ST. TAMMANY COUNCIL ON AGING, INC.
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE -
SENIOR CENTER FUND
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental revenues:				
GOEA Grants	\$ 354,557	\$ 354,557	\$ 354,557	\$ _____ -
Total Revenues	354,557	354,557	354,557	-
EXPENDITURES				
Salaries and wages	401,694	283,492	268,767	14,725
Employee benefits	140,900	96,678	84,533	12,145
Operating services	95,200	117,916	109,367	8,549
Operating supplies	32,000	58,000	56,942	1,058
Other operating costs	4,000	8,500	2,157	6,343
Travel	2,000	2,000	2,000	-
Total Expenditures	675,794	566,586	523,766	42,820
Excess of Revenues Over Expenditures	(321,237)	(212,029)	(169,209)	42,820
OTHER FINANCING SOURCES				
Operating transfers in	321,237	212,029	169,209	(42,820)
Total other financing sources	321,237	212,029	169,209	(42,820)
NET CHANGE IN FUND BALANCE				
FUND BALANCE				
Beginning of year	_____ -	_____ -	_____ -	_____ -
End of year	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY COUNCIL ON AGING, INC.

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2023

	Title III C Area Agency Administration Fund	Title III D - Disease Prevention and Health Promotion Services Fund	Title III E - National Family Caregiver Support Fund	STPH Fund	Total
ASSETS					
Cash and Cash Equivalents	\$ 41,030	\$ 7,747	\$ 24,235	\$ 34,112	\$ 107,124
Accounts Receivable	7,349	-	-	-	7,349
TOTAL ASSETS	\$ 48,379	\$ 7,747	\$ 24,235	\$ 34,112	\$ 114,473
LIABILITIES					
Accounts Payable	\$ 142	\$ -	\$ 5,846	\$ 1,547	\$ 7,535
Unearned Revenue	48,237	7,747	18,389	32,565	106,938
TOTAL LIABILITIES	48,379	7,747	24,235	34,112	114,473
FUND BALANCES					
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 48,379	\$ 7,747	\$ 24,235	\$ 34,112	\$ 114,473

ST. TAMMANY COUNCIL ON AGING, INC.
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Title III C Area Agency Administration Fund	Title III D - Disease Prevention and Health Promotion Services Fund		Title III E - National Family Caregiver Support Fund		STPH Fund	Total
REVENUES							
Intergovernmental:							
GOEA Grants	\$ 88,252	\$ 9,925		\$ 91,992	\$ 39,764	\$ 229,933	
ARPA Funding	-	506		3,669	-	4,175	
TOTAL REVENUES	88,252	10,431		95,661	39,764	234,108	
EXPENDITURES							
Salaries and Wages	70,299	7,000		9,000	-	86,299	
Employee Benefits	4,908	536		689	-	6,133	
Operating Services	-	2,506		85,972	9,677	98,155	
Operating Supplies	-	389		-	-	389	
Other Operating Costs	13,045	-		-	14,268	27,313	
Non-GOEA Expenditures	-	-		-	8,719	8,719	
Capital Outlay	-	-		-	7,100	7,100	
TOTAL EXPENDITURES	88,252	10,431		95,661	39,764	234,108	
Excess (Deficiency) of Revenues over Expenditures	-	-		-	-	-	
OTHER FINANCING SOURCES (USES)							
Operating Transfers in	-	-		-	-	-	
Operating Transfers out	-	-		-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)	-	-		-	-	-	
Net Change in Fund Balances	-	-		-	-	-	
Fund Balances, Beginning	-	-		-	-	-	
Fund Balances, Ending	\$ -	\$ -		\$ -	\$ -	\$ -	

ST. TAMMANY COUNCIL ON AGING, INC.
COMPARATIVE STATEMENT OF CAPITAL ASSETS AND
CHANGES IN CAPITAL ASSETS
For the Year Ended June 30, 2023

	<u>Balance 06/30/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/23</u>
CAPITAL ASSETS, AT COST				
Construction in progress	\$ -	\$ 201,550	\$ -	\$ 201,550
Land	628,860	50,784	-	679,644
Building and leasehold improvements	1,158,804	-	-	1,158,804
Vehicles	1,121,358	-	-	1,121,358
Office furniture and equipment	89,650	1,379	-	91,029
Computer equipment and software	197,005	19,642	(75,091)	141,556
Nutrition equipment	<u>24,498</u>	<u>29,339</u>	<u>-</u>	<u>53,837</u>
Total Capital Assets	<u>\$ 3,220,175</u>	<u>\$ 302,694</u>	<u>\$ (75,091)</u>	<u>\$ 3,447,778</u>
INVESTMENT IN CAPITAL ASSETS				
Property acquired with funds from:				
FTA	\$ 894,840	\$ -	\$ -	\$ 894,840
Local Funds:				
General fund	2,201,019	295,044	(75,091)	2,420,972
PCOA Supplemental funds	23,415	-	-	23,415
Senior Center funds	80,662	-	-	80,662
STPH funds	-	7,650	-	7,650
In-Kind Donations	<u>20,239</u>	<u>-</u>	<u>-</u>	<u>20,239</u>
Total Investment in Capital Assets	<u>\$ 3,220,175</u>	<u>\$ 302,694</u>	<u>\$ (75,091)</u>	<u>\$ 3,447,778</u>

ST. TAMMANY COUNCIL ON AGING, INC.
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
For the Year Ended June 30, 2023

Agency Head: Julie Agan, Executive Director

Salary	\$ 104,959
Benefits – Health Insurance	11,525
Benefits – Retirement	3,149
Benefits – Dental	342
Workers Comp	131
Benefits – Life Insurance	274
Benefits – Vision	65
Benefits – FICA and Medicare	8,001
Car Allowance	4,075
Cell Phone	480
Dues	100
Reimbursements	45
Registration Fees	200
Parking	<u>18</u>
Total	<u>\$ 133,364</u>

OTHER REPORTS



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

To the Board of Directors
St. Tammany Council on Aging, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Council on Aging, Inc. (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 November 30, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 30, 2023



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

To the Board of Directors,
St. Tammany Council on Aging, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited St. Tammany Council on Aging, Inc.'s (the Council) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2023. The Council's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Council's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Council's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
November 30, 2023

ST. TAMMANY COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor Program Title or Cluster Title</u>	<u>Federal Award Number</u>	<u>AL Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services - Administration for Community Living			
Passed through the Louisiana Governor's Office of Elderly Affairs: Aging Cluster for Special Programs for the Aging			
Title III, Part B - Supportive Services and Senior Centers	4400024428	93.044	\$ 172,999
COVID-19 American Rescue Plan – Title III, Part B Supportive Services and Senior Centers	4400023424	93.044	150,785
COVID-19 - State Public Health	4400024236	93.044	39,764
Title III, Part C - Nutrition Services (Area Agency Administration)	4400024428	93.045	66,189
Title III, Part C-1 - Nutrition Services (Congregate Meals)	4400024428	93.045	191,070
Title III, Part C-2 - Nutrition Services (Home Delivered Meals)	4400024428	93.045	134,579
COVID-19 American Rescue Plan – Title III, Part C-1 Nutrition Services (Congregate Meals)	4400023424	93.045	15,553
COVID-19 American Rescue Plan – Title III, Part C-2 Nutrition Services (Home Delivered Meals)	4400023424	93.045	145,658
Subtotal Title III, Part C			553,049
Nutritional Services Incentive Program	4400024428	93.053	130,196
Total Department of Health and Human Services – Administration for Community Living – Aging Cluster for Special Programs for the Aging			1,046,793
Title III, Part D - Disease Prevention and Health Promotion Services	4400021949	93.043	9,925
COVID-19 American Rescue Plan – Title III, Part D Disease Prevention and Health Promotion Services	4400023424	93.043	506

ST. TAMMANY COUNCIL ON AGING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CONTINUED
For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor Program Title or Cluster Title</u>	<u>Federal Award Number</u>	<u>AL Number</u>	<u>Federal Expenditures</u>
Title III, Part E - National Family Caregiver Support Program	4400021949	93.052	68,994
COVID-19 American Rescue Plan – Title III, Part E - National Family Caregiver Support Program	4400023424	93.052	<u>3,669</u>
Total U.S. Department of Health and Human Services - Administration for Community Living			1,129,887
 Department of Transportation			
Passed through State of Louisiana Department of Transportation and Development			
Formula Grants for Rural Areas	20.509		<u>369,890</u>
Total Department of Transportation			<u>369,890</u>
Total Expenditures of Federal Awards			<u>\$ 1,499,777</u>

ST. TAMMANY COUNCIL ON AGING, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023

NOTE I – BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards is reported on the same accounting basis as the fund financial statements, which is described in Note I in the notes to financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Schedule of Expenditures of Federal awards includes the Federal grant activity of the Council under programs of the Federal government for the year ended June 30, 2023. Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position, fund balance, or changes in fund balance.

NOTE 2 – DE MINIMIS COST RATE

The auditee did not use the de minimis cost rate.

NOTE 3 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activities of Federal award programs expended by St. Tammany Council on the Aging, Inc. (the Council). The Council's reporting entity is defined in Note I of the notes to financial statements.

ST. TAMMANY COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of Auditors' Report Issued:	Unmodified	
Internal Control Over Financial Reporting:		
• Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal Control Over Major Programs:	
• Material weakness(es) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
• Significant deficiency(ies) identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.044	Special Programs for the Aging: Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Title III, Part C – Nutrition Services
93.053	Nutrition Services Incentive Program

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

Auditee Qualified as Low-Risk Auditee? Yes No

ST. TAMMANY COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED
For the Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

None.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

ST. TAMMANY COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

None.

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None.



INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors 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. The St. Tammany Council on Aging, Inc.'s management is responsible for those C/C areas identified in the SAUPs.

The St. Tammany Council on Aging, Inc. (the Council) 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

I. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

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

Examined the written policies and procedures regarding budgeting, without exception.

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.

Examined the written policies and procedures regarding purchasing, without exception.

- c) **Disbursements**, including processing, reviewing, and approving.

Examined the written policies and procedures regarding disbursements, without exception.

- 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).

Examined the written policies and procedures regarding receipts/collections, without exception.

- 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.

Examined the written policies and procedures regarding payroll/personnel, without exception.

- 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.

Examined the written policies and procedures regarding contracting, without exception.

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

Examined the written policies and procedures regarding payroll/personnel, without exception.

- 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).

Examined written policies and procedures regarding credit cards, without exception.

- 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.

Examined the written policies and procedures regarding ethics, without exception.

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

Not applicable - The Council does not hold any debt.

- 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.

Examined the written policies and procedures regarding information technology/business continuity, without exception.

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

Examined the written policies and procedures regarding sexual harassment, without exception.

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.

Per review of the board minutes, the Board met monthly throughout the year. No exceptions noted.

- 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.

Per review of the board minutes, the minutes referenced the appropriate financial documents, without exception.

- 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.

N/A - no negative balances in the general unassigned fund balance.

- 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.

N/A - 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:

Obtained listing and management's representation that the listing is complete, without exception. Noted that the Council has 2 bank accounts. Selected the main operating account and payroll account. See below for testing.

- 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);

Noted evidence that all reconciliations tested were prepared within the appropriate time period, without exception.

- 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

Noted evidence of approval by Management on all reconciliations tested, without exception.

- 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.

N/A - no outstanding items > 12 months old identified.

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).

Noted the Council has 2 deposit sites, at STCOA's main office and the bus station.

- 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:

Per discussion with Management, STCOA has multiple cash collection locations: the STCOA main office and the drivers also individually collect cash on their routes.

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

Observed that no employees are required to share cash drawers/registers at the selected collection location, without exception.

- 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.

Observed that no employees responsible for cash collections are responsible for preparing/making bank deposits, without exception.

- 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.

Observed that no employees responsible for cash collections are responsible for posting collection entries to the general ledger or subsidiary ledgers, without exception.

- 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.

Observed that no employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers are responsible for cash collections, without exception.

- 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.

Examined copy of insurance policy covering employees, without exception.

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

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

N/A - The entity does not utilize a system with sequentially pre-numbered receipts.

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

Examined the collection report for all collections examined and traced the totals to the deposit slips, without exception.

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

Traced deposit slip totals to the actual deposit per the bank statement, without exception.

- 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).

Examined supporting documentation for the daily deposits. Noted the deposits were made within a week, without exception.

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

Traced the actual deposit per the bank statement to the general ledger, without exception.

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).

Per discussion with Management, the only location that processes payments is STCOA's main office.

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

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

Noted proper segregation of duties for the responsibilities listed above, without exception.

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

Noted proper segregation of duties for the responsibilities listed above, without exception.

- 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.

Noted proper segregation of duties for the responsibilities listed above, without exception.

- 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.

Noted proper segregation of duties for the responsibilities listed above, without exception.

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

Noted proper segregation of duties for the responsibilities listed above, without exception.

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

- a. Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

All disbursements examined matched the related original invoice/billing statement, without exception.

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

All invoices examined included evidence of segregation of duties documented above, without exception.

11. Using the entity's main operating account and the month selected in Bank Reconciliations, 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 those persons authorized to disburse funds per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy.

All electronic disbursements examined included proper approval and number of authorized signers, without exception.

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.

Randomly selected 5 cards that were used during the period and selected one monthly statement for each, without exception.

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.

For all statements selected, noted evidence of review and approval, with no exceptions.

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

Per review of the credit card statements, observed no finance charges on the statements tested, without exception.

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.

For the statements selected above, randomly selected 10 transactions (if less than 10, selected 100%) from each noting 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:

Obtained listing of all travel and travel-related expense reimbursements for 2023 and management's representation that the list is complete.

- 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).

Per review of the reimbursements tested, we noted the mileage rates used agreed with STCOA's policies and the Louisiana State rates, without exception.

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

Per review of the reimbursements tested, we noted all mileage was supported by detail of the actual mileage driven, without exception.

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

All disbursements examined were supported by documentation of the business/public purpose and other documentation required by written policy, without exception.

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

All disbursements examined were reviewed and approved, in writing, by someone other than the person receiving the reimbursement, without exception.

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:

Obtained complete listing of all applicable agreements/contracts and management's representation that the listing is complete, without exception.

- 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.

N/A – the Louisiana Public Bid Law was not applicable to the contracts examined.

- 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).

Observed contracts & agreements were approved by the Board, without exception.

- 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).

N/A – no contracts examined were amended during the period.

- 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.

For each payment examined, noted each was in accordance with the applicable contract, without exception.

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.

Obtained complete listing of all employees and officials employed during the fiscal period and management's representation that the listing is complete, without exception.

- 18. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 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).

Noted all employees & officials tested documented their daily attendance and leave, without exception.

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

Noted attendance and leave for all employees & officials tested was approved by a supervisor, without exception.

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

Noted the leave for all employees/officials tested was reflected in cumulative leave records, without exception.

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

Noted the salary/pay rate paid to all employees/officials tested agreed to their personnel file, without exception.

- e) 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.

For all selected employees that received termination payments during the fiscal period, noted that the employees' payrates and cumulative leave records agreed, without exception.

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

Obtained management's representation that all employer and employee required payroll related amounts were submitted and paid by their respective deadlines, without exception.

Ethics

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

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

Observed documentation that all 5 employees tested completed one hour of ethics training during the year, without exception.

- 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.

Per discussion with Management, there were no changes to the Council's ethics policies during the year.

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

Per Management, Deidra Chiasson, has been appointed as the Council's ethics designee.

Debt Service

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

N/A – the Council issued no debt during the period.

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

N/A – the Council had no outstanding debt during the period as of June 30, 2023.

Fraud Notice

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

Per Management, there was no misappropriation of public funds or assets during the fiscal period.

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

Observed that the Council has a fraud notice posted on its premises and website, without exception.

Information Technology Disaster Recovery/Business Continuity

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

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

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.

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.

We performed the procedure and discussed the results with management.

- d) Randomly select 5 terminated employees (or all terminated employees if less than 5) and observe evidence that the selected terminated employees have been removed or disabled from the network.

Obtained and inspected documentation from IT. Noted all 5 terminated employees selected had been removed or disabled from the network, without exception.

Sexual Harassment

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

Observed documentation that all 5 employees tested completed one hour of sexual harassment training during the year, without exception.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Observed that the Council has posted its sexual harassment policy on their website or premises, without exception.

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

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Per review of the Council's sexual harassment report, noted that the report was dated on or before February 1, 2023, without exception.

We were engaged by the Council to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Council 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.

Kushner LaGraize, L.L.C.

Metairie, Louisiana

November 30, 2023