

**FINANCIAL REPORT**  
**EAST FELICIANA COUNCIL ON AGING, INC.**  
**CLINTON, LOUISIANA**

**June 30, 2019**

**Michael R. Choate & Company**  
**Certified Public Accountants**

**FINANCIAL REPORT**

**EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA**

**June 30, 2019**

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Clinton, Louisiana

June 30, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### **East Feliciana Council on Aging, Inc.**

The Management's Discussion and Analysis of the East Feliciana Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

This has been another great but challenging year for the Council on Aging.

The Council on Aging initiated its seventh annual "Adopt an Elderly" campaign. Letters were mailed to businesses, churches and local organizations asking for donations to our Home Delivered Meals Program. We received a total of \$19,350. Medicaid transportation program also increased and a new vehicle was received from a DOTD grant this year.

### FINANCIAL HIGHLIGHTS

The Council's assets exceeded its liabilities at the close of fiscal year 2019 by \$251,133 (net position) which represents a (4.8%) decrease from last fiscal year. Net assets is still strong.

Cash and investments were \$199,783 at June 30, 2019 compared to \$211,598 at June 30, 2018. This is a decrease (\$11,815). Cash position is very good.

The Council's total revenue increased \$5,283 (or 1%) primarily due to DHH Transportation program increase of \$20,045. Police Jury contributions decreased (\$7,500). DOTD revenue decreased (\$8,805). Adopt an Elderly increased \$2,600. Miscellaneous income was down (\$2,857).

The Council's total expenditures decreased (\$3,233) (or .6%). Salaries and fringe benefits decreased (\$5,349), travel decreased (\$2,293), meals increased \$1,059 and other costs increased \$3,350.

As a result of subtracting total expenditures from total revenue, the Council's net position decreased by (\$12,819) this fiscal year. Last year net assets decreased (\$20,496).

For the year ended June 30, 2019, the Council reported a net decrease in governmental fund balance of (\$7,794). For the year June 30, 2018, the decrease was (\$16,310).

## SERVICE HIGHLIGHTS

The units of service provided for Fund Year 2018-2019 was very consistent compared to the prior year. **The Council on Aging provided a total of 40,565 units of service** to the senior citizens of East Feliciana Parish from July 1, 2018 through June 30, 2019. The prior year units of service were 41,894.

### **Transportation**

Transportation units of service were provided as follows:

Title III-B Services to Elderly 6397    Last year: 7,620

### **Meals**

Meals served totaled 22,764 in 2019 and 22,903 in 2018. Home delivered meals are based on 250 serving days a year. Congregate meals are based on 250 serving days a year.

#### Home Delivered Meals

Meals – 12,908

Last year – 12,956

#### Congregate Meals

Meals – 9,856

Last year – 9,947

## OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of five parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for non-major governmental funds and other supplementary information and (5) various governmental compliance reports and schedules by certified public accountants and management.

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

### **Government-wide Financial Statements**

The government-wide financial statements (see Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The **statement of net position** presents information on all of the Council's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The **statement of activities** presents information showing how the Council's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows.

Revenues and expenses are reported in this statement from some items that will only result in cash flows in future fiscal periods. The governmental activity of the Council is health and welfare which is comprised of various programs that include supportive services, nutritional services, utility assistance, and multipurpose senior center in Clinton, Louisiana.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. (Exhibit C and D)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled “Total Non-Major Funds”. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 33).

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 28 to 31). In addition to these required elements, the Council has a section of supplementary information. The Governor’s Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This

information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 37 and 38).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money. (Page 36)

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2019, assets exceeded liabilities by \$251,133. A large portion of the Council's net position (80%) reflects its cash and investment in certificates of deposit. The Council has strong liquidity.

### **Special Revenue Fund Budgetary Highlights**

The budget was amended once during the year. The primary reasons for amending the budget are to prevent compliance violations under the Council's grants for GOEA due to unanticipated changes in revenue and expenditures. There were no major differences between the original Special Revenue Fund budget and the anticipated results.

Required supplementary information budgetary comparisons schedules were prepared for the General Fund and each major Special Revenue Fund (Pages 28 to 31).

## **CAPITAL ASSETS**

The Council's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$7,698 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below).

	<u>2019</u>	<u>2018</u>
Office furniture, fixtures and equipment	\$ 37,038	\$ 37,038
Building Improvements	10,705	10,705
Vehicles	<u>31,860</u>	<u>31,860</u>
Sub Total	79,603	79,603
Less accumulated depreciation	<u>(71,905)</u>	<u>(69,612)</u>
Capital Assets, Net	<u>\$ 7,698</u>	<u>\$ 9,991</u>

There were no major capital asset events during the current fiscal year. Additional information on the Council's capital assets can be found in the Note 6, Exhibit E of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Council receives most of its funding from federal and state agencies and local taxes. 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 service provided by the Council, and therefore, revenues may vary from year to year. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2019-2020. There are no plans to add or delete any significant programs for next fiscal year.

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

- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA, DOTD, DHH and EF Police Jury.
- Interest revenues have been budgeted with anticipation of no increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state Travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment and vehicles needed to be purchased.

**Condensed Statement of Net Position**

	June 30,		Dollar Change
	2019	2018	
Current and other assets	\$ 264,520	\$ 272,350	\$ (7,830)
Capital assets	7,698	9,991	(2,293)
Total assets	<u>\$ 272,218</u>	<u>\$ 282,341</u>	<u>\$ (10,123)</u>
Short-term liabilities outstanding	-	36	(36)
Other liabilities	21,085	18,353	2,732
Total liabilities	<u>21,085</u>	<u>18,389</u>	<u>2,696</u>
<b>Net Assets:</b>			
Invested in capital assets, net	7,698	9,991	(2,293)
Non spendable	23,604	21,032	2,572
Restricted	1,800	1,800	-
Unassigned	218,031	231,129	(13,098)
Total net position	<u>\$ 251,133</u>	<u>\$ 263,952</u>	<u>\$ (12,819)</u>

**Governmental Activities**

Governmental activities decreased the Council net position \$(12,819) Key elements of this increase are as follows:

**Condensed Changes in Net Position**

	June 30,		Dollar Change
	2019	2018	
<b>Revenues:</b>			
Program revenues:			
Charges for services			
Operating grants and contributions	\$ 440,465	\$ 427,682	\$ 12,783
General revenues:			
Grants and contributions not restricted	114,576	119,476	(4,900)
Unrestricted investment earnings	2,368	2,111	257
Miscellaneous	6,886	9,743	(2,857)
Total revenues	<u>564,295</u>	<u>559,012</u>	<u>5,283</u>
<b>Expenses:</b>			
Health and welfare	577,114	579,508	(2,394)
Total expenses	<u>577,114</u>	<u>579,508</u>	<u>(2,394)</u>
Increase (decrease) in net assets	(12,819)	(20,496)	7,677
Net assets beginning of year	<u>263,952</u>	<u>284,448</u>	<u>(20,496)</u>
Net assets end of year	<u>\$ 251,133</u>	<u>\$ 263,952</u>	<u>\$ (12,819)</u>

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

### **Governmental Funds**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$264,520 a decrease of (\$7,794) in comparison with the prior year. An unreserved fund balance of \$239,116 is available for spending at the Council's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed. This is reflected on Page 16.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unassigned fund balance of the general fund was \$239,116 while total fund balance decreased to \$262,720 (Page 17). As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund expenditures. The fund balance of the Council's General Fund decreased by (\$7,794) during the current fiscal year. (Page 17)

Other major funds, including Title III B – Supportive Services Fund and Title III C-2 – Home Delivered Meals Fund and Title III C-1 Congregate Meals had no change in fund balances. These funds are reimbursed by federal and state grants. Expenditures that are not covered by the grants are covered by transfers from the General Fund.

## REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Board of Directors  
C/O Brenda Gardner, Executive Director  
East Feliciana Council on Aging, Inc.  
P.O. Box 986  
Clinton, Louisiana.70722  
Phone (225) 683-9862

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors,  
East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Feliciana Council on Aging, Clinton, Louisiana, (the Council) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Opinions**

In my 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, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 1 through 8) and budgetary comparison information (pages 28 through 31) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## Other Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds and the Comparative Schedule of Capital Assets and Changes in Capital Assets are presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA). In addition, Louisiana Revised Statute 24:513 (A)(3), as amended, requires the Council to present a supplemental schedule of Compensation, Benefits, and Other Payments Made to the Council's Executive Director for the fiscal year. These schedules are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is also not a required part of the financial statements.

The information in these three schedules is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, I have also issued my report dated November 30, 2019, on my consideration of the Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Baton Rouge, Louisiana,  
November 30, 2019

  
Michael R. Choate & Company, CPAs

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

## GOVERNMENT WIDE STATEMENT OF NET POSITION

EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA

June 30, 2019

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash	\$ 199,783
Grants and contracts receivable	35,407
Other receivable	5,726
Prepaid expenditures:	
Insurance	5,256
Van lease	18,348
Capital assets, net of accumulated depreciation	<u>7,698</u>
 Total Assets	 <u><u>\$ 272,218</u></u>
<b>Liabilities</b>	
Accounts payable	\$ -
Accrued compensated absences	<u>21,085</u>
 Total Liabilities	 <u>21,085</u>
<b>Net Position</b>	
Invested in Capital Assets	7,698
General fund:	
Non spendable:	
Prepaid expenditures	23,604
Unassigned	218,031
Special Revenue - restricted	<u>1,800</u>
 Total Net Position	 <u><u>\$ 251,133</u></u>

The accompanying notes are an integral part of this statement.

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA**

For the year ended June 30, 2019

	Program Revenues					Net (Expense) Revenue and Increases (Decreases) in Net Assets
Functions / Programs	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities						
Health, Welfare & Social Services						
Supportive Services:	\$ 100,706	\$ 85,596	\$ -	\$ 82,683	\$ -	(103,619)
Personal Care	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Homemaker	-	-	-	-	-	-
Information and Assistance	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-
Outreach	-	-	-	-	-	-
Transportation	183,958	65,655	-	270,436	-	20,823
Nutrition Services:						
Congregate Meals	56,833	9,123	-	46,673	-	(19,283)
Home Delivered Meals	46,060	14,116	-	40,673	-	(19,503)
Multipurpose Senior Centers	-	-	-	40,926	-	40,926
Administration	10,042	5,025	-	1,800	-	(13,267)
Total governmental activities	\$ 397,599	\$ 179,515	\$ -	\$ 483,191	\$ -	\$ (93,923)
General Revenues:						
Grants and contributions not restricted to specific programs						71,850
Unrestricted Investment Income						2,368
Miscellaneous						6,886
Total general revenues						81,104
Increase in net position						(12,819)
Net position - beginning of the year						263,952
Net position - end of the year						\$ 251,133

The accompanying notes are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

Balance Sheet  
Governmental Funds  
East Feliciana Council on Aging, Inc.

June 30, 2019

	General Fund	Title III B	Title III C-1	Title III C-2	Total Non Major Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 204,077	\$ (1,160)	\$ (1,243)	\$ (2,791)	\$ 900	199,783
Grants and Contracts Receivable	29,313	1,160	1,243	2,791	900	35,407
Other receivable	5,726	-	-	-	-	5,726
Prepaid Expenses	5,256	-	-	-	-	5,256
Prepaid Van lease	18,348	-	-	-	-	18,348
<b>Total Assets</b>	<b>\$ 262,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>\$ 264,520</b>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Accounts Payable	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
<b>Non spendable:</b>						
Prepaid Expenditures	23,604	-	-	-	-	23,604
<b>Unassigned:</b>						
General Fund	239,116	-	-	-	-	239,116
<b>Restricted:</b>						
Special Revenue Fund	-	-	-	-	1,800	1,800
<b>Total Fund Balances</b>	<b>262,720</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,800</b>	<b>264,520</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 262,720</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800</b>	<b>-</b>

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

Capital assets used in governmental activities are not financial resources reported in funds	7,698
Compensated absences applicable in governmental activities are not due in the current period and therefore not reported in the funds.	(21,085)
<b>Net position of Governmental Activities</b>	<b>\$ 251,133</b>

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
East Feliciana Council on Aging, Inc.  
Clinton, LA  
For the Year Ended June 30, 2019

	General Fund	Title III B	Title III C-1	Title III C-2	Total Non-Major Funds	Total Governmental Funds
<b>REVENUES</b>						
Intergovernmental						
Capital Area Agency on Aging	\$ -	\$ 51,929	\$- \$ 17,842	\$- \$ 34,205	\$ -	\$ 103,976
Governor's Office of Elderly Affairs	37,500	-	-	-	42,726	80,226
Department of Transportation	141,079	-	-	-	-	141,079
Department of Health & Hospitals	129,357	-	-	-	-	129,357
East Feliciana Police Jury	15,000	-	-	-	-	15,000
Public Support						
Contributions - Adopt-n-Elderly	19,350	-	-	-	-	19,350
Participant Contributions	-	10,366	3,051	700	-	14,117
Investment Income	2,368	-	-	-	-	2,368
Miscellaneous	6,886	-	-	-	-	6,886
Inkind Contributions	-	20,388	25,780	5,768	-	51,936
<b>Total Revenues</b>	<b>351,540</b>	<b>82,683</b>	<b>46,673</b>	<b>40,673</b>	<b>42,726</b>	<b>564,295</b>
<b>EXPENDITURES</b>						
Health, Welfare, & Social Services						
Current:						
Personnel	126,767	116,669	31,551	34,511	-	309,498
Fringe	22,194	12,377	3,460	3,254	-	41,285
Travel	2,263	410	151	188	-	3,012
Operating Services	54,484	17,360	2,759	8,026	-	82,629
Operating Supplies	34,289	11,965	607	2,333	-	49,194
Meals	-	-	528	4,653	-	5,181
Other Costs	19,658	7,133	1,120	1,443	-	29,354
Inkind	-	20,388	25,780	5,768	-	51,936
<b>Total Expenditures</b>	<b>259,655</b>	<b>186,302</b>	<b>65,956</b>	<b>60,176</b>	<b>-</b>	<b>572,089</b>
Excess (deficiency) of Revenues over Expenditures	91,885	(103,619)	(19,283)	(19,503)	42,726	(7,794)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	103,619	19,283	19,503	-	142,405
Transfers Out	(99,679)	-	-	-	(42,726)	(142,405)
<b>Total other Financing Sources and Uses</b>	<b>(99,679)</b>	<b>103,619</b>	<b>19,283</b>	<b>19,503</b>	<b>(42,726)</b>	<b>-</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>(7,794)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,794)</b>
<b>FUND BALANCES</b>						
Beginning of the Year	270,514	-	-	-	1,800	272,314
End of the Year	\$ 262,720	\$ -	\$ -	\$ -	\$ 1,800	\$ 264,520

The accompanying notes are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

Year Ended June 30, 2019

Net Increase (decrease) in fund balances – total governmental funds	\$ (7,794)
Governmental funds report capital outlays as expenditures. However, in the <b>Statement of Activities</b> the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$0) is less than depreciation expense (\$2,293).	(2,293)
Some expenses reported in the <b>Statement of Activities</b> do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	<u>(2,732)</u>
Increase (decrease) in net position of governmental activities	<u>\$ (12,819)</u>

## NOTES TO FINANCIAL STATEMENTS

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

June 30, 2019

### Note 1 - Summary of Significant Accounting Policies

a. Statement of Presentation:

The accompanying financial statements conform to generally accepted accounting principles for local government units as prescribed by Statement 1, Governmental Accounting and Financial Reporting Principles published by the National Council on Governmental Accounting, and Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants.

The local councils on the aging were created under Louisiana Act No. 456 of 1964 for the welfare of the aging people in their respective parish.

b. Fund Accounting:

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

#### Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Council's governmental funds:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Fund (continued):

expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA.

The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to council.

The following are the funds which comprise the Council's Special Revenue Funds:

**Major Special Revenue Funds**

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 type.

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance (466), telephoning (1494), and outreach (43) to people age 60 and older. Total units of service were 8826 which includes transportation of (6397).

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. The Council served 9,856 meals this year.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. The Council delivered 12,908 meals this year.

**Non Major Special Revenue Funds**

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes

through” the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

#### Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. These funds are “passed through” the Governor’s Office of Elderly Affairs.

The following are the funds which comprise the Council’s **General Fund**:

PCOA Fund – The PCOA fund accounts for the supplemental unrestricted revenues provided through the Governor’s Office of Elderly Affairs.

Other Local – Other Local funds accounts for interest income and miscellaneous unrestricted revenue.

Transportation Fund – Nonelderly The Council provides various transportation services to the residents of East Feliciana Parish who are not 60 years old for a fee. The fee ranges from \$5.00 to \$8.00 per one-way trip and is based on whether the trip is in the parish or out of the parish. A Medicaid transportation program also is available. These program revenue, service fees and their related cost are accounted for within the “Nonelderly Transportation” program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the “Elderly Transportation” program of the Title III B Fund.

#### Capital Assets

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

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the assets estimated useful life. The estimated useful lives of the various classes of

depreciable capital assets are as follows:

Building Improvements	20 years
Equipment	5 - 7 years
Vehicles	5 years
Computers	3 years

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

c. Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for as an asset or liability through the various due from and due to accounts.

d. Budget Policy:

Budgets for the programs are prepared by the Council's Executive Director and approved by the grantors and the Council's board of directors.

e. Compensated Absences:

The Council's policy for annual leave permits employees to accumulate earned but unused annual leave. Accordingly, a liability for the unpaid annual 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 accruing (earning) and using vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the **Statement of Net Position**.

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

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

The Council's sick leave policy does not provide for 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 absence in the financial statements relative to sick leave.

f. Management's Use of Estimates:

The preparation of financial statements in conformity with 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.

g. Revenue Recognition

Revenues are recorded in the Government-Wide 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, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

h. New Accounting Pronouncement

Beginning with the June 30, 2011 fiscal year, the management had adopted the provisions of Governmental Accounting Standards Board Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. The main financial statement effects relating to this new accounting standard are with 1) how the components of the Council's fund balances will be presented on the fund balance sheet and 2) on presentation of special revenue funds on the statement of revenues, expenditures and changes in fund balances. The number of special revenue funds will be less than in previous years because of the new definition of what constitutes a special revenue fund.

**Note 2 - Board of Director's Compensation**

The Board of Directors is a voluntary Board; therefore, no compensation has been paid to any member.

**Note 3 - In Kind Financial Assistance**

The in-kind contributions that the Council received during the year consisted primarily of free rent and utilities relating to the use of the main administration office in Clinton and meal sites in Clinton and Jackson, Louisiana.

The Hill Country Realty & Appraisal Company has provided the Council information as to the fair value of the facility rental. The volunteer services were valued by recording the number of hours the volunteers worked and multiplying the hours by minimum wage. A summary of the in-kind contributions and their estimated values are as follows:

Facility Rental	\$44,367
Volunteer Workers	<u>7,569</u>
Total In-Kind Expenditures	\$51,936

**Note 4 - Economic Dependency**

The Council receives a significant portion of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs, Louisiana Department of Transportation and the Capital Area Agency on Aging-District II, Inc. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of 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 adversely affect the amount of funds the Council will receive in the next fiscal year.

**Note 5 - Transfers**

	<u>Transfers Out</u>	<u>Transfers In</u>
<u>SPECIAL REVENUE FUNDS</u>		
Title III B		
General Fund/PCOA	-	\$37,500
Senior Center	-	30,014
Supplemental Senior Center	-	10,912
General / DOTD		23,393
MIPPA		1,800
Title III C-1		
General/Adopt Elderly	-	19,283
Title III C-2		
General	-	4,503
General		15,000
Senior Center		
Title III B	30,014	-
Supplemental Senior Center		
Title III B	10,912	-
MIPPA		
General –Transportation	1,800	
<u>GENERAL FUND</u>		
MIPPA	-	
Title III B/PCOA	37,500	-
Title III C-1/Adopt Elderly	19,283	-
Title III C-1/General		
Title III C-2	19,503	-
DOTD	<u>23,393</u>	<u>-</u>
<b>Total</b>	<b><u>\$142,405</u></b>	<b><u>\$142,405</u></b>

**Note 6 - General Fixed Assets**

The changes in fixed assets are as follows:

	<u>Balance</u> <u>6/30/2019</u>	<u>Balance</u> <u>6/30/2018</u>
Furniture & Equipment	\$ 37,038	\$ 37,038
Building Improvements	10,705	10,705
Vehicles	<u>31,860</u>	<u>31,860</u>
	<u>\$ 79,603</u>	<u>\$ 79,603</u>

**Note 7 – Deposits With Financial Institutions**

At June 30, 2019, The Council had bank balances totaling \$199,783. Bank balances totaling \$199,783 are insured by federal deposit insurance while deposits over \$250,000 are collateralized by securities held by the depository bank in the Council’s name. This is considered a “Category 1” credit risk in accordance with GASB Statement 3.

GASB Statement 3 categories deposits into three categories of credit risk:

1. Insured by FDIC or collateralized with securities held by the Council or by its agent in the Council’s name. (Category 1)
3. Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the Council’s name. (Category 2)
4. Uninsured and uncollateralized; or collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Council’s name; or collateralized with no written or approved collateral agreement. (Category 3)

**Note 8 – Grants & Accounts Receivable**

Accounts receivable at June 30, 2019 included the following funds:

<u>Special Revenue</u>			
	Title III B	\$	1,160
	Title III C-1		1,243
	Title III C-2		2,791
	MIPPA		900
<u>General Fund</u>	Medicaid		6,743
	Police Jury		1,250
	<u>Section 5311</u>		<u>21,320</u>
	Total	<u>\$</u>	<u>35,407</u>

**Note 9 – Income Tax Status**

East Feliciana Council on Aging, Inc. is a tax-exempt organization as described in Section 501(c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization other than a private foundation. The Council, therefore, is not subject to income taxes. However, income from activities not directly related to the Council’s tax-exempt purpose is subject to taxation as unrelated business income. The Council had no such income for the year ended June 30, 2018.

On July 1, 2013, the Council adopted the provisions of the Accounting for Uncertainty in Income Taxes Topic of the FASB ASC, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Council’s income tax returns. Management evaluated the Council’s tax positions and concluded that the Council had taken no uncertain tax positions that required adjustments to the financial statements to comply with the provisions of this guidance. East Feliciana Council on Aging, Inc. is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years prior to June 30, 2016.

**Note 10– Subsequent Events**

Management has evaluated subsequent events through November 30, 2019; the date the report was available to be issued. No events have occurred which would require adjustment or disclosure in the financial statements.

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
GENERAL FUND**

**EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Capital Area Agency on Aging, Inc.	\$ -	\$ -	\$ -	\$ -
Governor's Office of Elderly Affairs	37,500	37,500	37,500	-
Department of Health and Hospitals	99,001	110,000	129,357	19,357
East Feliciana Police Jury	15,000	15,000	15,000	-
Department of Transportation	150,000	153,003	141,079	(11,924)
Other:				
Miscellaneous	26,768	6,765	6,886	121
Contributions - Adopt-n-Elderly	23,026	23,026	19,350	(3,676)
Investment Income	-	-	2,368	2,368
Contributions in Kind	-	-	-	-
Total Revenues	<u>351,295</u>	<u>345,294</u>	<u>351,540</u>	<u>6,246</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind		-	-	-
Personnel	133,622	126,767	126,767	-
Fringe	24,952	22,480	22,194	286
Travel	8,054	3,000	2,263	737
Operating services	30,504	42,943	54,484	(11,541)
Operating supplies	27,928	27,507	34,289	(6,782)
Capital outlay	-	-	-	-
Other	14,850	23,111	19,658	3,453
Total Expenditures	<u>239,910</u>	<u>245,808</u>	<u>259,655</u>	<u>(13,847)</u>
Excess of Revenues over (under) Expenditures	111,385	99,486	91,885	(7,601)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	1,802	-	(1,802)
Operating transfers out	(111,385)	(101,288)	(99,679)	1,609
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	(7,794)	(7,794)
<u>FUND BALANCES</u>				
Beginning of year	270,514	270,514	270,514	-
End of year	<u>\$ 270,514</u>	<u>\$ 270,514</u>	<u>\$ 262,720</u>	<u>\$ (7,794)</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III-B**

**EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Capital Area Agency on Aging, Inc.	\$ 51,929	\$ 51,929	\$ 51,929	\$ -
State of Louisiana	-	-	-	-
Other:				
Miscellaneous				-
Contributions	9,500	9,500	10,366	866
Contributions in Kind	20,388	20,388	20,388	-
Total Revenues	<u>81,817</u>	<u>81,817</u>	<u>82,683</u>	<u>866</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	20,388	20,388	20,388	-
Personnel	120,276	118,206	116,669	1,537
Fringe	10,505	12,638	12,377	261
Travel	1,573	384	410	(26)
Operating services	23,127	15,959	17,360	(1,401)
Operating supplies	12,223	11,871	11,965	(94)
Meals	-	-	-	-
Capital outlay	-	-	-	-
Other	8,010	6,557	7,133	(576)
Total Expenditures	<u>196,102</u>	<u>186,003</u>	<u>186,302</u>	<u>(299)</u>
Excess of Revenues over (under) Expenditures	(114,285)	(104,186)	(103,619)	567
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	114,285	104,186	103,619	(567)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III C-1**

**EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Capital Area Agency on Aging, Inc.	\$ 17,842	\$ 17,842	\$ 17,842	\$ -
State of Louisiana	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Contributions	3,300	3,300	3,051	(249)
Contributions in Kind	25,780	25,780	25,780	-
Total Revenues	<u>46,922</u>	<u>46,922</u>	<u>46,673</u>	<u>(249)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	25,780	25,780	25,780	-
Personnel	29,578	30,425	31,551	(1,126)
Fringe	4,105	3,348	3,460	(112)
Travel	483	143	151	(8)
Operating services	2,425	2,789	2,759	30
Operating supplies	710	655	607	48
Meals	560	560	528	32
Capital outlay	-	-	-	-
Other	1,158	1,098	1,120	(22)
Total Expenditures	<u>64,799</u>	<u>64,798</u>	<u>65,956</u>	<u>(1,158)</u>
Excess of Revenues over (under) Expenditures	(17,877)	(17,876)	(19,283)	(1,407)
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	17,877	17,876	19,283	1,407
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES  
BUDGET (GAAP BASIS) AND ACTUAL  
SPECIAL REVENUE FUND - TITLE III C-2**

**EAST FELICIANA COUNCIL ON AGING, INC.  
CLINTON, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Intergovernmental:				
Capital Area Agency on Aging, Inc. State of Louisiana	\$ 34,205	\$ 34,205	\$ 34,205	\$ -
Other:				
Miscellaneous	-	-	-	-
Contributions	850	850	700	(150)
Contributions in Kind	5,768	5,768	5,768	-
Total Revenues	<u>40,823</u>	<u>40,823</u>	<u>40,673</u>	<u>(150)</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	5,768	5,768	5,768	-
Personnel	32,100	33,517	34,511	(994)
Fringe	4,339	3,664	3,254	410
Travel	590	173	188	(15)
Operating services	8,156	8,407	8,026	381
Operating supplies	2,593	2,517	2,333	184
Meals	6,014	5,471	4,653	818
Capital outlay	-	-	-	-
Other	1,417	1,455	1,443	12
Total Expenditures	<u>60,977</u>	<u>60,972</u>	<u>60,176</u>	<u>796</u>
Excess of Revenues over (under) Expenditures	(20,154)	(20,149)	(19,503)	646
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	20,154	20,149	19,503	(646)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

**Required by: Governor's Office of Elderly Affairs**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Non-Major Special Revenue Funds  
 East Feliciana Council on Aging, Inc.  
 Clinton, LA

For the Year Ended June 30, 2019

	MIPPA	Senior Center	Sup. Senior Center	Total Non- Major Funds
<b>REVENUES</b>				
Intergovernmental				
Capital Area Agency on Aging	\$ -	\$ -	\$ -	\$ -
Governor's Office of Elderly Affairs	1,800	30,014	10,912	42,726
Public Support				
Contributions-other restricted	-	-	-	-
Client Contributions	-	-	-	-
Investment Income	-	-	-	-
Miscellaneous	-	-	-	-
Inkind Contributions	-	-	-	-
<b>Total Revenues</b>	<b>1,800</b>	<b>30,014</b>	<b>10,912</b>	<b>42,726</b>
<b>EXPENDITURES</b>				
Health, Welfare, & Social Services				
Current:				
Personnel	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other Costs	-	-	-	-
Capital Outlay	-	-	-	-
Inkind Expenditures	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of Revenues over Expenditures</b>	<b>1,800</b>	<b>30,014</b>	<b>10,912</b>	<b>42,726</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	-	-	-	-
Transfers Out	(1,800)	(30,014)	(10,912)	(42,726)
<b>Total other Financing Sources and Uses</b>	<b>(1,800)</b>	<b>(30,014)</b>	<b>(10,912)</b>	<b>(42,726)</b>
<b>Net Increase (Decrease) in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Beginning of the Year	1,800	-	-	1,800
End of the Year	<b>\$ 1,800</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,800</b>

The accompanying notes are an integral part of this statement.

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN  
GENERAL FIXED ASSETS**

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

For the year ended June 30, 2019

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2019</u>
<b>General Fixed Assets:</b>				
Vehicles	\$ 31,860	\$ -	\$ -	\$ 31,860
Building improvements	10,705	-	-	10,705
Office Furniture and Equipment	37,038	-	-	37,038
<b>Total Fixed Assets</b>	<b>\$ 79,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,603</b>
<b>Investment in General Fixed Assets:</b>				
Property acquired with funds from-				
Title III-B	7,929	-	-	7,929
General fund - other	6,655	-	-	6,655
PCOA	19,484	-	-	19,484
United Way	14,834	-	-	14,834
Department of Transportation - AARA	30,701	-	-	30,701
<b>Total Investments in General Fixed Assets</b>	<b>\$ 79,603</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,603</b>

**SUPPLEMENTARY FINANCIAL INFORMATION**

**REQUIRED BY: OMB CIRCULAR A-133**

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

For the year ended June 30, 2019

<u>Grants Passed Through State of Louisiana and Capital Area Agency on Aging</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Capital Area Agency on Aging- District II, Inc.				
Title III Part C-1	93.045	\$ 16,351	\$ 16,351	\$ 16,351
Title III Part C-2	93.045	5,896	5,896	5,896
Title III Part B	93.044	27,558	27,558	27,558
<u>Louisiana Department of Health &amp; Hospitals</u> Medicaid Transportation		129,357	129,357	129,357
<u>Louisiana Department of Transportation</u> Non Elderly Transportation Secton 5311 LA-18-X032	20.509	141,079	141,079	141,079
Totals		<u>\$ 320,241</u>	<u>\$ 320,241</u>	<u>\$ 320,241</u>

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

**East Feliciana Council on Aging, Inc.  
Clinton, Louisiana  
For the year ended June 30, 2019**

**Executive Director's (Agency Head) Name: Brenda Gardner**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 50,122
Benefits-insurance (health and life)	
Benefits-retirement	
Benefits-Other (describe)	
Benefits-Other (describe)	
Benefits-Other (describe)	
Car allowance	
Vehicle provided by government (enter amount reported on W-2)	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	800
Housing	
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other - Petty Cash Reimbursements	

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**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance With Government Auditing Standards**

To the Board of Directors,  
East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

I 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 East Feliciana Council on Aging, Clinton, Louisiana, (the Council) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated November 30, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, I 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

Baton Rouge, Louisiana,  
November 30, 2019

  
Michael R. Choate & Company, CPAs

**FINDINGS AND QUESTIONED COSTS**

**Internal Accounting and Administrative Controls and Compliance**

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

June 30, 2019

There were no material weaknesses found in compliance or in the Internal Accounting and Administrative Controls which required corrective action.

**PRIOR YEAR AUDIT FINDINGS**

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana

June 30, 2019

**MATERIAL WEAKNESSES – JUNE 30, 2018**

Last year there were no material weaknesses found in compliance or in internal accounting and administrative controls which required corrective actions.

**EAST FELICIANA COUNCIL ON AGING  
AGREED UPON PROCEDURES REPORT  
For the year ended June 30, 2019**

**MICHAEL R. CHOATE & COMPANY  
Certified Public Accountants**

2915 S. Sherwood Forest Blvd, Suite B  
Baton Rouge, LA 70816  
P: 225.292.7434

2895 Hwy 190, Suite 230  
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**Independent Accountant's Report on Applying Agreed-Upon Procedures**

East Feliciana Council on Aging, Inc.  
Clinton, Louisiana, USA

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

We have performed the procedures enumerated below, which were agreed to by East Feliciana Council on Aging, Inc. and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Procedures:**

1. Determine if the following accounting **policies are in writing** and address the issues described in the attached Appendix.

Budgeting	Payroll/ Personnel	Ethics
Purchasing	Contracting (vendors)	Debt service
Disbursements	Credit cards	Disaster recovery
Receipts	Travel and expense reimbursements	

2. Test compliance with the above accounting policies using the procedures described in the twelve AUP categories in the attached Appendix.

**Findings:**

1. **Written policies exist for all the AUP categories.**

2. Testing of all other AUP categories:

**Board or Finance committee** – N/A no findings prior year;

**Bank reconciliations** – no findings this year.

**Collections** – N/A no findings prior year;

**Non payroll disbursements** - N/A no findings prior year;

**Credit cards** – No findings this year.

**Travel expenditures** – N/A no findings prior year;

**Contracts** (vendors) – N/A no findings prior year;

**Payroll** – N/A no findings prior year;

**Ethics** – N/A no findings prior year.

**Debt service** –N/A no findings prior year;

**Other** – N/A no findings prior year.

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

December 26, 2019



Michael R Choate & Company CPAs

## APPENDIX

*Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures  
Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020*

**Procedures**

Report all exceptions to the following procedures, either after each procedure or after all procedures within each of the twelve AUP categories. “Random” selections may be made using Microsoft Excel’s random number generator or an alternate method selected by the practitioner that results in an equivalent sample (e.g., those methods allowed under the AICPA Audit Guide - *Audit Sampling*).

*Written Policies and Procedures*

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1. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations):<sup>3</sup>
  - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget
  - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) *Disbursements*, including processing, reviewing, and approving
  - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all 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).
  - e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements,

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<sup>3</sup> For governmental organization, the practitioner may eliminate those categories and subcategories that do not apply to the organization’s operations. For quasi-public organizations, including non-profits, the practitioner may eliminate those categories and subcategories that do not apply to public funds administered by the quasi-public.

*Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*  
*Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020*

- (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) *Ethics*<sup>4</sup>, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
  - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
  - k) *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.

*Board or Finance Committee*<sup>5</sup>

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- 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.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.<sup>6</sup> *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes*

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<sup>4</sup> The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the non-profit should have written policies and procedures relating to ethics.

<sup>5</sup> These procedures are not applicable to entities managed by a single elected official, such as sheriff or assessor.

<sup>6</sup> Major funds are defined under GASB standards. The related procedure addresses major funds as a way to verify that boards are provided with financial information necessary to make informed decisions about significant entity operations, including proprietary operations that are not required to be budgeted under the LGBA.

**Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures**  
**Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020**

*referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

- 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.

**Bank Reconciliations**

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts<sup>7</sup> (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - 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
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

**Collections (excluding EFTs)<sup>8</sup>**

- 4. Obtain a listing of deposit sites<sup>9</sup> 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).
- 5. For each deposit site selected, obtain a listing of collection locations<sup>10</sup> 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

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

<sup>8</sup> The Collections category is not required to be tested if the entity has a third party contractor performing all collection functions (i.e., receiving collections, preparing deposits, and making deposits).

<sup>9</sup> A deposit site is a physical location where a deposit is prepared and reconciled.

<sup>10</sup> A collection location is a physical location where cash is collected. An entity may have one or more collection locations whose collections are brought to a deposit site for deposit.

*Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures  
Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020*

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:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - 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.
  - 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.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day)<sup>11</sup>. *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

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

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<sup>11</sup> If “bank reconciliations” have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for bank reconciliations.

*Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures*  
*Year 3 – Fiscal Years Ending 6/30/2019 through 5/31/2020*

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).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]]
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 that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards<sup>12</sup>. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or

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<sup>12</sup> Including credit cards used by school staff for either school operations or student activity fund operations.

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combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing)<sup>13</sup>. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Travel and Travel-Related Expense Reimbursements<sup>14</sup> (excluding card transactions)*

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those

<sup>13</sup> For example, if 3 of the 5 cards selected were fuel cards, only 10 transactions would be selected for each of the 2 credit cards. Conceivably, if all 5 cards randomly selected under procedure #12 were fuel cards, Procedure #13 would not be applicable.

<sup>14</sup> Non-travel reimbursements are not required to be tested under this category.

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individuals participating) and other documentation required by written policy (procedure #1h).

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

*Contracts*

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- 15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
  - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law<sup>15</sup> (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
  - 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 that the invoice and related payment agreed to the terms and conditions of the contract.

*Payroll and Personnel*

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

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<sup>15</sup> If the entity has adopted the state Procurement Code, replace “Louisiana Public Bid Law” with “Louisiana Procurement Code.”

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- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*Ethics*<sup>16</sup>

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above<sup>17</sup>, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Debt Service*<sup>18</sup>

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

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<sup>16</sup> The Louisiana Code of Ethics is generally not applicable to non-profit entities but may be applicable in certain situations, such as councils on aging. If ethics is applicable to a non-profit, the procedures should be performed.

<sup>17</sup> If "payroll and personnel" have been rotated off for Year 2, the practitioner should insert a procedure with the same selection methodology that would have been used for payroll and personnel.

<sup>18</sup> This AUP category is generally not applicable to non-profit entities; however, if applicable, the procedures should be performed.

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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).

*Other*

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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.
24. Observe that the entity has posted on its premises<sup>19</sup> and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.<sup>20</sup>

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<sup>19</sup> Observation may be limited to those premises that are visited during the performance of other procedures under the AUPs.

<sup>20</sup> This notice is available for download or print at [www.lla.la.gov/hotline](http://www.lla.la.gov/hotline).