

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.**

**BATON ROUGE, LOUISIANA**

**JUNE 30, 2023**



**CAPITAL AREA  
AGENCY ON AGING**

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***We Know...Aging Matters***

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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

### Opinion

We have audited the accompanying financial statements of Capital Area Agency on Aging - District II, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital Area Agency on Aging – District II, Inc. 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 opinion.

### Responsibilities of Management for the Financial Statements

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

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 Capital Area Agency on Aging – District II, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information, description of programs on pages 18 through 20, the detailed schedule of program activities on page 21, the schedule of changes in fixed assets on page 22, and the schedule of compensation, benefits, and other payments to Agency heads on page 25 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on page 23 through 24, 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*, is presented for purposes of additional analysis and is also not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and compliance.

*L. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*December 13, 2023*

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
*June 30, 2023 and 2022*

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 727,681	\$ 1,132,358
Receivables on funding contracts	394,207	300,801
Due from subcontractors	143,978	89,557
Other receivables	36,434	11,171
Prepaid expenses	17,463	12,350
	1,319,763	1,546,237
 <b>FIXED ASSETS (NET)</b>	 5,242	 905
	\$ 1,325,005	\$ 1,547,142
 <b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 280,370	\$ 487,087
Deferred revenue	17,950	1,825
Due to subcontractors	367,855	307,454
Accrued compensated absences	32,083	33,050
	698,258	829,416
 <b>NET ASSETS</b>		
Net assets without donor restrictions	6,569	(2,235)
Net assets with donor restrictions	620,178	719,961
	626,747	717,726
	\$ 1,325,005	\$ 1,547,142

*See accompanying notes to the financial statements*

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**

**STATEMENTS OF ACTIVITIES**

*Years ended June 30, 2023 and 2022*

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE</b>						
Governor's Office of Elderly Affairs	\$ -	\$ 5,172,702	\$ 5,172,702	\$ -	\$ 5,381,922	\$ 5,381,922
Department of Insurance	-	10,284	10,284	-	3,192	3,192
Capital Area United Way	-	2,319	2,319	-	3,458	3,458
Local Support - Title III-C-1/III-C-2 Meals	-	1,408,742	1,408,742	-	1,101,662	1,101,662
Other support and revenues	50,904	-	50,904	34,005	-	34,005
Interest income	2,678	-	2,678	2,900	-	2,900
	<u>53,582</u>	<u>6,594,047</u>	<u>6,647,629</u>	<u>36,905</u>	<u>6,490,234</u>	<u>6,527,139</u>
Net assets released from restrictions	6,693,830	(6,693,830)	-	6,067,410	(6,067,410)	-
	<u>6,747,412</u>	<u>(99,783)</u>	<u>6,647,629</u>	<u>6,104,315</u>	<u>422,824</u>	<u>6,527,139</u>
<b>EXPENSES</b>						
Grants and allocations	2,248,939	-	2,248,939	1,752,045	-	1,752,045
Functional expenses:						
Program services						
Title III-C-1 Congregate Meals	598,142	-	598,142	611,064	-	611,064
Title III-C-2 Home Delivered Meals	2,130,490	-	2,130,490	1,978,466	-	1,978,466
Title III-D Preventive Health	69,991	-	69,991	65,490	-	65,490
Title III-E Caregiver Support	-	-	-	450	-	450
Aging and Disability Resource Center/SenioRx	181,869	-	181,869	199,797	-	199,797
LTC Ombudsman	452,453	-	452,453	511,269	-	511,269
Senior Community Services Employment Program	633,935	-	633,935	589,676	-	589,676
Evidence-Based Wellness	5,749	-	5,749	7,117	-	7,117
Vaccine Grant	-	-	-	52,575	-	52,575
State Public Health Grant	35,266	-	35,266	-	-	-

*Continued*

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Medicare Enrollment Assistance Program (MIPPA)	2,585	-	2,585	2,015	-	2,015
CMS Research Demonstration & Evaluation (MIPPA)	1,825	-	1,825	1,160	-	1,160
MIPPA - SHIIP	2,800	-	2,800	4,000	-	4,000
Total program services	4,115,105	-	4,115,105	4,023,079	-	4,023,079
Fundraising	4,004	-	4,004	2,800	-	2,800
Management and general	370,560	-	370,560	317,183	-	317,183
Total functional expenses	4,489,669	-	4,489,669	4,343,062	-	4,343,062
Total expenses	6,738,608	-	6,738,608	6,095,107	-	6,095,107
Change in net assets before operating transfers	8,804	(99,783)	(90,979)	9,208	422,824	432,032
Other financing sources (uses)						
Operating transfers	-	-	-	-	-	-
Change in net assets	8,804	(99,783)	(90,979)	9,208	422,824	432,032
Net assets - beginning of year	(2,235)	719,961	717,726	(11,443)	297,137	285,694
Net assets - end of year	\$ 6,569	\$ 620,178	\$ 626,747	\$ (2,235)	\$ 719,961	\$ 717,726

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

*Years ended June 30, 2023 and 2022*

FY 2023

	Title IIIC-1 - Congregate Meals	Title IIIC-2 - Home Delivered Meals	Title III-D - Preventive Health	Title III-E Caregiver Support	CMS Research Demonstrati- ons & Evaluations MIPPA - AAA	Medicare Enrollment Assistance Program - MIPPA - ADRC	Medicare Enrollment Assistance Program - MIPPA - SHIIP	Aging and Disability Resource Center /SenioRx
Catered Meals	\$ 598,142	\$ 2,130,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	47,692	-	985	1,167	-	128,184
Payroll Taxes	-	-	4,036	-	83	94	-	10,410
Benefits	-	-	1,805	-	84	82	-	7,273
Travel	-	-	4,783	-	-	-	-	1,091
Advertising	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	2,057	-	-	-	-	39
Equipment Maintenance	-	-	-	-	-	-	-	494
Postage and Shipping	-	-	-	-	-	-	-	1,341
Printing and Publications	-	-	278	-	-	-	-	335
Occupancy	-	-	3,423	-	588	1,242	1,188	14,474
Telephone	-	-	269	-	-	-	-	3,182
Software Licensing	-	-	274	-	-	-	-	4,060
Equipment rental	-	-	418	-	-	-	-	1,151
Insurance	-	-	1,905	-	-	-	-	2,814
Office Supplies	-	-	407	-	85	-	1,612	1,543
Conference and Training	-	-	298	-	-	-	-	150
Other Contractual Services	-	-	1,150	-	-	-	-	2,648
Accounting	-	-	1,144	-	-	-	-	2,468
Depreciation	-	-	52	-	-	-	-	212
Miscellaneous Expense	-	-	-	-	-	-	-	-
Total Functional Expenses	<u>\$ 598,142</u>	<u>\$ 2,130,490</u>	<u>\$ 69,991</u>	<u>\$ -</u>	<u>\$ 1,825</u>	<u>\$ 2,585</u>	<u>\$ 2,800</u>	<u>\$ 181,869</u>

FY 2022

	Title IIIC-1 - Congregate Meals	Title IIIC-2 - Home Delivered Meals	Title III-D - Preventive Health	Title III-E Caregiver Support	CMS Research Demonstrati- ons & Evaluations MIPPA - AAA	Medicare Enrollment Assistance Program - MIPPA - ADRC	Medicare Enrollment Assistance Program - MIPPA - SHIIP	Aging and Disability Resource Center /SenioRx
Catered Meals	\$ 611,064	\$ 1,978,465	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	40,916	390	323	631	1,069	137,892
Payroll Taxes	-	-	2,810	31	36	95	36	11,359
Benefits	-	-	5,850	29	37	83	37	10,312
Travel	-	-	4,928	-	-	-	-	212
Advertising	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	3,784	-	-	-	-	19
Equipment Maintenance	-	-	-	-	-	-	-	446
Postage and Shipping	-	-	-	-	-	-	-	951
Printing and Publications	-	-	-	-	128	-	-	1,743
Occupancy	-	-	3,737	-	636	1,198	1,416	18,134
Telephone	-	-	272	-	-	-	159	2,941
Software Licensing	-	-	149	-	-	-	-	4,871
Equipment rental	-	-	173	-	-	-	-	1,685
Insurance	-	-	406	-	-	-	-	3,000
Office Supplies	-	-	1,309	-	-	8	785	2,048
Conference and Training	-	-	70	-	-	-	-	280
Other Contractual Services	-	-	658	-	-	-	498	2,202
Accounting	-	-	427	-	-	-	-	1,425
Depreciation	-	-	-	-	-	-	-	277
Miscellaneous Expense	-	-	-	-	-	-	-	-
Total Functional Expenses	<u>\$ 611,064</u>	<u>\$ 1,978,465</u>	<u>\$ 65,489</u>	<u>\$ 450</u>	<u>\$ 1,160</u>	<u>\$ 2,015</u>	<u>\$ 4,000</u>	<u>\$ 199,797</u>

See accompanying notes to the financial statements

COVID-19 Vaccine	Evidence-Based Wellness	Long Term Care Ombudsman Program	Senior Community Services Employment Program (SCSEP)	State Public Health	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,728,632	\$ -	\$ -	\$ 2,728,632
-	3,621	301,736	544,386	-	1,027,771	-	233,616	1,261,387
-	300	24,368	42,212	-	81,503	-	18,735	100,238
-	376	40,746	16,988	-	67,354	-	33,252	100,606
-	139	22,343	3,303	-	31,659	-	4,587	36,246
-	-	-	-	-	-	-	3,996	3,996
-	-	407	39	-	2,542	-	769	3,311
-	-	-	494	-	988	-	-	988
-	-	53	1,141	-	2,535	-	2,630	5,165
-	13	6,548	340	-	7,514	170	284	7,968
-	-	4,688	6,360	-	31,963	-	22,095	54,058
-	279	8,940	1,874	-	14,544	-	4,437	18,981
-	-	3,883	674	-	8,891	-	5,513	14,404
-	206	471	1,172	99	3,517	-	1,269	4,786
-	427	4,164	1,990	-	11,300	-	2,882	14,182
-	-	10,693	983	-	15,323	-	3,858	19,181
-	-	3,200	626	1,350	5,624	-	3,365	8,989
-	153	13,190	2,505	33,817	53,463	-	18,615	72,078
-	235	6,598	800	-	11,245	-	6,055	17,300
-	-	425	159	-	848	-	395	1,243
-	-	-	7,889	-	7,889	3,834	4,207	15,930
<u>\$ -</u>	<u>\$ 5,749</u>	<u>\$ 452,453</u>	<u>\$ 633,935</u>	<u>\$ 35,266</u>	<u>\$ 4,115,105</u>	<u>\$ 4,004</u>	<u>\$ 370,560</u>	<u>\$ 4,489,669</u>

COVID-19 Vaccine	Evidence-Based Wellness	Long Term Care Ombudsman Program	Senior Community Services Employment Program (SCSEP)	State Public Health	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,589,529	\$ -	\$ -	\$ 2,589,529
7,505	1,533	295,952	486,000	-	972,211	-	189,025	1,161,236
500	573	24,157	37,838	-	77,435	-	14,727	92,162
747	1,041	44,464	22,573	-	85,173	-	25,777	110,950
1,422	246	14,089	2,480	-	23,377	-	5,779	29,156
-	-	20,000	7,208	-	27,208	-	2,099	29,307
-	-	-	-	-	3,803	-	1,419	5,222
-	-	-	470	-	916	-	-	916
-	-	955	2,471	-	4,377	-	452	4,829
722	-	16,390	2,025	-	21,008	-	2,455	23,463
-	2,144	5,128	6,360	-	38,753	-	15,305	54,058
-	231	9,277	1,699	-	14,579	-	5,091	19,670
-	-	483	233	-	5,736	-	5,430	11,166
-	350	411	1,610	-	4,229	-	1,374	5,603
-	397	4,633	1,781	-	10,217	-	2,628	12,845
41,679	-	51,024	2,406	-	99,259	-	21,302	120,561
-	-	5,985	774	-	7,109	-	2,632	9,741
-	177	13,337	1,912	-	18,784	-	15,557	34,341
-	427	4,984	4,781	-	12,044	-	2,756	14,800
-	-	-	-	-	277	-	458	735
-	-	-	7,055	-	7,055	2,800	2,917	12,772
<u>\$ 52,575</u>	<u>\$ 7,119</u>	<u>\$ 511,269</u>	<u>\$ 589,676</u>	<u>\$ -</u>	<u>\$ 4,023,079</u>	<u>\$ 2,800</u>	<u>\$ 317,183</u>	<u>\$ 4,343,062</u>

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF CASH FLOWS**

*Years ended June 30, 2023 and 2022*

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (90,979)	\$ 432,032
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,243	735
Decrease (increase) in:		
Receivables on funding contracts	(93,406)	(179,364)
Due from subcontractors and others	(79,684)	7,654
Prepaid expenses	(5,113)	2,164
Increase (decrease) in:		
Accounts payable and accrued expenses	(206,717)	119,216
Due to subcontractors	60,401	(5,625)
Deferred revenue	16,125	1,825
Accrued compensated absences	(967)	5,279
Net cash provided by (used in) operating activities	(399,097)	383,916
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of equipment	(5,580)	-
Net cash used in investing activities	(5,580)	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash provided by financing activities	-	-
<b>NET INCREASE (DECREASE) IN CASH</b>	(404,677)	383,916
Cash - beginning of year	1,132,358	748,442
Cash - end of year	\$ 727,681	\$ 1,132,358

*See accompanying notes to the financial statements*

## **CAPITAL AREA AGENCY ON AGING -DISTRICT II, INC. NOTES TO FINANCIAL STATEMENTS**

### **A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Nature of activities and reporting entity*

Capital Area Agency on Aging-District II, Inc. (the Agency) is a non-profit entity incorporated in 1974 to ensure the availability of supportive, nutrition, and volunteer services to people aged 60 and older in the ten parishes surrounding the Baton Rouge capital area. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

#### *Basis of accounting*

The Agency prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

#### *Basis of presentation*

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under those standards, the Organization is required to report information regarding its financial position and activities under two classes of net assets as follows:

*Net assets without donor restrictions* - resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

*Net assets with donor restrictions* - resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

#### *Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### *Revenue and expense recognition*

Contributions and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Agency reports gifts of cash and other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

For grant revenues that are deemed to be exchange transactions, the Agency applies the following five-step process:

- Identification of the contract with the customer;
- Identification of the performance obligations of the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the identified performance obligations; and
- Recognition of revenue when (or as) an entity satisfies the identified performance obligations.

The Agency receives grant funding from federal agencies, state and local governments, and private sources. Grant revenue received for grants determined to be exchange transactions are recognized when performance obligations are satisfied over a period of time as services are provided and the grantor receives benefits. Revenue is recognized only to the extent of allowable expenditures under the terms of the grants. Excess expenses incurred are non-reimbursable to the Agency. Advance payments from grantors are recorded as refundable advances until expensed for its intended purpose.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

### *Fixed assets and depreciation*

Acquisitions of property and equipment amounting to \$1,000 or more are capitalized. Fixed assets are carried at cost less accumulated depreciation. The assets are depreciated for financial reporting purposes using the straight-line method over estimated useful lives of five to ten years. When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

### *Donated services*

No amounts have been reflected in the financial statements for donated services. The Agency pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency with its various program activities.

### *Cash*

For the purpose of the statement of cash flows, the Agency considers all unrestricted cash and short-term savings to be cash.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Under the requirements of its grant funding from the State of Louisiana, the Agency must collateralize cash balances held in financial institutions that are in excess of federal deposit insurance. Such deposits are collateralized under a security pledge arrangement with the financial institution which meets the requirements of state law.

*Prepaid expenses*

The cost of insurance and other services for which benefits extend over more than one accounting period have been recorded as prepaid and are expensed in the period to which they apply.

*Functional expenses*

The cost of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between program services and supporting services benefited. Salaries and wages, related payroll taxes, and benefit allocations are determined by management on an equitable basis based on time and effort.

*Budget policy*

Budgets for the various programs are prepared by the Agency's Chief Financial Officer, reviewed by the Executive Director, and approved by the Agency's Board of Directors and program grantors. Appropriations from the Governor's Office of Elderly Affairs under Federal Title III lapse at year end. Title IV and other federal appropriations lapse at the federal fiscal year end. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency may transfer funds between budgetary line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs with respect to funds received under contracts from that agency.

*Receivables and bad debts*

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

*Annual and sick leave*

Employees of the Agency are entitled to paid vacation, depending on the length of service. The Agency has recorded a liability for the unused vacation attributable to all eligible employees at the employee's current rate of pay. Because accrued sick leave lapses upon termination, no amount has been accrued.

*Advertising costs*

The Agency expenses advertising costs as incurred.

*Income tax status*

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Agency accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Agency may recognize the tax effect from an uncertain income tax positions only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Agency has evaluated its tax positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

*Adoption of New Accounting Standards*

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which replaced existing lease accounting guidance. The new standard is intended to provide enhanced transparency and comparability by requiring lessees to record right-of-use (ROU) assets and corresponding lease liabilities on the balance sheet. ROU assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent the Agency's obligation to make lease payments arising from the lease.

The new guidance requires the Agency to continue to classify leases as either an operating or finance lease, with classification affecting the pattern of expense recognition in the income statement. In addition, the new standard requires enhanced disclosure surrounding the amount, timing and uncertainty of cash flows arising from leasing agreements.

On July 1, 2022, the Agency adopted the guidance using the modified retrospective transition method and therefore did not adjust prior comparative periods as permitted by the codification improvements issued by FASB in July 2018. There was no material impact to the Agency's financial statements as a result of this adoption.

**B: FIXED ASSETS**

The following is a summary of fixed assets at cost, less accumulated depreciation:

	<u>2023</u>	<u>2022</u>
Computer and related equipment	\$ 7,373	\$ 1,793
Office equipment	19,968	19,968
Furniture and fixtures	<u>3,421</u>	<u>3,421</u>
	30,762	25,182
Less accumulated depreciation	<u>(25,520)</u>	<u>(24,277)</u>
	<u>\$ 5,242</u>	<u>\$ 905</u>

Depreciation expense was \$1,243 and \$735 for the years ended 2023 and 2022, respectively.

**C: RECEIVABLES ON FUNDING CONTRACTS**

Receivables on funding contracts at June 30, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Governor's Office of Elderly Affairs:		
SCSEP Program	\$ 251,891	\$ 119,997
CARES Act LTC Ombudsman	-	60,073
CARES Act ADRC/SenioRx	-	3,375
Medicare Enrollment Assistance Program	4,820	-
ADRC Vaccine Outreach Alert Media	-	68,100
ARP III C-1 Area Agency Administration	21,801	-
ARP III C-2 Nutritional Services	5,424	-
ARP III D Disease Prevention and Health Promotion	4,434	-
ARP LTC Ombudsman Volunteer Recruiter	29,220	-
Title III-E Caregiver Support	-	20,327
Title III-B Supportive Services	-	28,597
NSIP Cash in Lieu	74,151	-
Department of Insurance:		
DOI - SHIP Outreach	-	332
Other	2,466	-
	<u>\$ 394,207</u>	<u>\$ 300,801</u>

**D: BOARD OF DIRECTORS' COMPENSATION**

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of a per diem. Members of the Board are reimbursed for travel expenses. There were no reimbursements in 2023 or 2022.

**E: PENSION AND DEFERRED COMPENSATION PLANS**

The Agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$33,198 and \$34,880 including administrative charges, is reported in fringe benefits for 2023 and 2022, respectively.

The Agency also maintains a voluntary salary reduction tax deferred compensation plan for employees electing to participate. The Agency does not make any contributions to this plan.

**F: LEASE COMMITMENTS**

The Agency currently leases its office space under an operating lease that is on a month-to-month basis with monthly rent of \$4,505.

Lease expense was \$54,058 for the years ended 2023 and 2022.

**G: INTER-PROGRAM TRANSFERS**

Transfers in and out are listed by program type for the year ended June 30, 2023 and 2022:

Year ended June 30, 2023					
Transfers In From:					
Transfers Out From:	Agrea Agency Admin	Title III C-1	Title III C-2	Evidence-Based Wellness	Total Transfers Out
Local	\$ 22,244	\$ -	\$ -	\$ -	\$ 22,244
Other	-	-	-	5,749	5,749
N.S.I.P.	-	124,079	359,635	-	483,714
Total Transfers In	\$ 22,244	\$ 124,079	\$ 359,635	\$ 5,749	\$ 511,707

Year ended June 30, 2022					
Transfers In From:					
Transfers Out From:	Agrea Agency Admin	Title III C-1	Title III C-2	Aging and Disability Resource	Total Transfers Out
Local	\$ 8,338	\$ -	\$ -	\$ -	\$ 8,338
Cares Act Aging and Disability Resource	-	-	-	2,762	2,762
DOI - SHIP Outreach	-	-	-	3,192	3,192
N.S.I.P.	-	114,676	243,134	-	357,810
Total Transfers In	\$ 8,338	\$ 114,676	\$ 243,134	\$ 5,954	\$ 372,102

**H: ECONOMIC DEPENDENCY**

The Agency receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and Louisiana state governments. If significant budget cuts are made at the federal and/or state level, the Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year.

The Agency receives support from a number of sources. Significant among those are the following, reflecting their percent of total revenues provided in 2023 and 2022:

	2023	2022
Governor's Office of Elderly Affairs	78%	82%
Local Support - Title IIIC-1/IIIC-2 Meals	21%	17%

**I: FEDERALLY ASSISTED AND OTHER GOVERNMENT PROGRAMS**

Federal and state assistance programs represent an important source of funding for the Agency. The federal programs are audited annually in accordance with the Uniform Guidance. Other programmatic audits may be conducted by grantor agencies. Prior audits have not resulted in any significant disallowed costs. However, grantor agencies may conduct or require additional examinations which could result in the cancellation of grants or contracts, the disallowance of costs charged to the grant or require the repayment of any questioned costs identified, and such repayments may be material to the financial statements.

**J: SUBCONTRACTOR AUDITS**

All Council on Aging subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with government auditing standards and, additionally, in accordance with the Single Audit Act if federal expenditures exceed specified thresholds.

**K: NET ASSETS**

Net assets with donor restrictions consist of funds designated by donors or grantors for specific purposes or programs and total \$620,178 and \$719,961 at June 30, 2023 and 2022, respectively.

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2023</u>	<u>2022</u>
Purpose restriction accomplished:		
Area Agency Administration	\$ 339,787	\$ 299,403
Title IIIB Supportive Services	845,035	752,532
Title IIIC Congregate and Home Delivered Meals	3,329,920	2,885,120
Title IIID Preventive Health	69,725	65,490
Title IIIE Caregiver Support	318,902	312,134
Long Term Care program	414,457	482,709
SCSEP Program	633,138	589,676
SenioRx / ADRC program	180,806	217,455
Expanding Public Health	35,265	-
Nutritional Services Incentive program	483,714	357,810
Medicare Enrollment Assistance	7,210	7,175
COVID-19 Vaccine Grant	-	66,153
Volunteer Recruiter	35,871	28,560
Other programs	-	3,193
Total restrictions released	<u>\$ 6,693,830</u>	<u>\$ 6,067,410</u>

**L: CONCENTRATIONS OF CREDIT RISK**

The Agency maintains deposits in a local financial institution with balances at times that may exceed the \$250,000 federal insurance provided by the Federal Deposit Insurance Corporation. At June 30, 2023, collateral in the amount of \$877,368 was provided to cover deposits in excess of federal insurance coverage, as required.

**M: CONTINGENCIES**

The Agency receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**N: LIQUIDITY**

The following represents the Agency's financial assets as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash	\$ 727,681	\$ 1,132,358
Receivables	574,619	401,529
Total financial assets	<u>1,302,300</u>	<u>1,533,887</u>
Less amounts unavailable to be used for general expenditures within one year, due to donor restrictions	<u>620,178</u>	<u>719,961</u>
Total financial assets available to management for general expenditures within one year	<u>\$ 682,122</u>	<u>\$ 813,926</u>

The Agency maintains a practice of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**O: NON-CASH INVESTING AND FINANCING ACTIVITIES**

There were no non-cash investing and financing activities in fiscal year 2023 or 2022.

**P: SUBSEQUENT EVENTS**

Subsequent events were evaluated through December 13, 2023, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**CAPITAL AREA AGENCY ON AGING – DISTRICT II, INC.**  
**DESCRIPTION OF PROGRAMS**

*Title III C-1 Area Agency Administration (AAA)*

The Title III C-1 Area Agency Administration (AAA) Program accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

*Title III-B Program*

The Title III-B Program is used to account for the support services, which include access services, in-home services, community services, and transportation for the elderly. Title III-B funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers.

*Title III C-1 Program*

The Title III C-1 Program accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

*Title III C-2 Program*

Title III C-2 funds are used to provide nutritional meals to home-bound older persons. These funds are provided in the same manner as Title III-B above.

*Title III-D Program*

The Title III-D Program accounts for funds used to provide disease prevention and health promotion services. This includes wellness activities and medication management services. These funds are provided in the same manner as Title III-B above. A portion of the medication management services is provided directly by the Agency through medication management seminars.

*Title III-E Program*

The Title III-E Program accounts for funds which are used to provide various caregiver support services. These include public education, information and assistance; support groups, in-home respite care; material aid; personal care services and sitter services. These funds are provided in the same manner as Title III-B above.

*United Way Program*

The United Way Program is used to account for funds received from the Capital Area and other United Way organizations to supplement administrative costs, the home delivered meals program and a Personal Care Program.

*Regional Office of LA Aging and Disability Resource Center (ADRC) and SenioRx*

The Agency is designated by the Governor's Office of Elderly Affairs as the Aging and Disability Resource Center (ADRC) for a 13-parish area. The ADRC offers a "one-stop-shop" for public and private programs at the community level that will help individuals who are 60 years and older and individuals with adult-onset disabilities. This program helps consumers find the answers and information needed to improve their health, independence and quality of life. The Louisiana Senior Prescription Drug Program, operating through the ADRC, links qualified low-income and disabled adults to free or discounted drugs directly from the pharmaceutical manufacturer.

*N.S.I.P. Program*

The Nutritional Services Incentive Program (N.S.I.P.) administered by the U.S. Department of Health and Human Service is used to account for the administration of Food Distribution Program funds, through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congregate and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

*Utility Assistance Program*

The Utility Assistance Program is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency which "passes through" the funds to the various councils to provide assistance to the elderly with emergencies in the payment of energy costs.

*Medicare Enrollment Assistance Program*

The Medicare Enrollment Assistance Program is used to provide outreach to eligible Medicare beneficiaries regarding the benefits available under federal and state programs for older Americans. This program is also used to conduct research, demonstrations, and evaluations for high-quality health care at a reasonable cost. The program will focus on expanding agency efforts to improve the efficiency of payment, delivery, access and quality of our health care programs.

*Evidence-Based Wellness*

The Evidence-Based Wellness Program deploys evidence-based chronic disease self-management programs targeted at older adults with chronic conditions to maintain and improve their health status.

*Title III B, Long Term Care Ombudsman Services*

The Title III B, Long Term Care Ombudsman provides funding to design and implement programs for the provision of long-term care ombudsman services for individuals living in long-term care facilities.

*Senior Community Services Employment Program*

The Senior Community Service Employment Program is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. Participants also have access to employment assistance through American Job Centers.

*Expanding the Public Health Workforce (STPH)*

The Title III C Program accounts for the revenues and expenditures of federal grants for providing training related to selected mental health topics, selected nutrition topics, and first aid certification to seniors, Council on Aging, and staff of other interested community organizations. These funds are provided in the same manner as Title III-B above.

*Other Programs*

Other grants and contributions may be used to support various programs as the need arises.

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**DETAILED SCHEDULE OF PROGRAM ACTIVITIES**

*For the year ended June 30, 2023*

WITHOUT DONOR RESTRICTIONS

	LOCAL	Evidence-Based Wellness	TITLE III C-1 AAA	TITLE III-B	TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-E	American Recovery Plan TITLE III C-1 AAA	American Recovery Plan TITLE III-B	American Recovery Plan TITLE III C-1	American Recovery Plan TITLE III C-2	American Recovery Plan TITLE III-D
<b>SUPPORT AND REVENUE</b>													
Governmental:													
Federal and State grants passed through													
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 234,791	\$ 615,262	\$ 592,825	\$ 815,029	\$ 39,271	\$ 243,889	\$ 96,524	\$ 173,059	\$ 72,687	\$ 354,319	\$ 31,037
Department of Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-
State of Louisiana	-	-	-	-	-	-	-	-	-	-	-	-	-
Governor's Office of Elderly Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
Other:													
Capital Area United Way	-	-	-	-	-	-	-	-	-	-	-	-	-
Annual fund raisers	27,575	-	-	-	-	-	-	-	-	-	-	-	-
Local support - meal programs	-	-	-	-	62,674	801,311	-	34,157	-	-	71,594	439,006	-
Other	21,007	-	-	-	-	-	-	-	-	-	-	-	-
	<u>48,582</u>	<u>-</u>	<u>234,791</u>	<u>615,262</u>	<u>655,499</u>	<u>1,616,340</u>	<u>39,271</u>	<u>278,046</u>	<u>96,524</u>	<u>173,059</u>	<u>144,281</u>	<u>793,325</u>	<u>31,037</u>
<b>EXPENSES</b>													
Administration:													
Salaries	374	3,688	162,392	-	-	-	28,094	-	73,664	-	-	-	19,959
Payroll tax and fringe benefits	374	677	37,801	-	-	-	3,796	-	13,811	-	-	-	2,044
Travel	-	139	4,586	-	-	-	2,500	-	-	-	-	-	2,283
Operating services	4,253	925	35,002	-	-	-	3,798	-	8,626	-	-	-	4,827
Operating supplies	49	-	2,508	-	-	-	62	-	1,299	-	-	-	345
Professional services	884	-	12,517	-	-	-	1,021	-	11,272	-	-	-	1,273
Other costs	5,142	387	2,229	-	-	-	-	-	202	-	-	-	298
Capital Outlay	-	-	1,329	-	-	-	266	-	-	-	-	-	-
	<u>11,076</u>	<u>5,816</u>	<u>258,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,537</u>	<u>-</u>	<u>108,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,029</u>
<b>CATERED MEALS - MEALS PROGRAM</b>													
Raw food	-	-	-	-	346,977	865,949	-	-	-	-	61,025	237,378	-
Labor and non-edibles	-	-	-	-	179,576	825,588	-	-	-	-	10,564	201,575	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,553</u>	<u>1,691,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,589</u>	<u>438,953</u>	<u>-</u>
<b>Contracted social services:</b>													
Alzheimer's Services of Capital Area	-	-	-	-	-	-	-	22,425	-	-	-	-	-
Ascension Council on Aging, Inc.	-	-	-	64,808	22,311	27,065	-	2,105	-	23,538	5,312	58,149	-
Assumption Council on Aging, Inc.	-	-	-	49,052	26,756	12,674	-	1,040	-	10,277	11,816	13,491	-
E. Felician Council on Aging, Inc.	-	-	-	52,330	19,479	34,205	-	-	-	11,796	11,639	18,379	-
Home Instead dba South LA Caregiving, LLC	-	-	-	-	-	-	-	48,361	-	-	-	-	-
Iberville Council on Aging, Inc.	-	-	-	56,656	32,797	20,768	-	-	-	5,330	12,799	59,855	-
Pointe Coupee Council on Aging, Inc.	-	-	-	59,231	36,774	9,958	-	2,625	-	17,408	8,260	28,763	-
St. Helena Council on Aging, Inc.	-	-	-	31,478	9,679	24,378	-	-	-	17,787	7,156	-	-
Southeast La. Legal Services Corp.	-	-	-	24,661	-	-	-	-	-	12,303	-	-	-
Tangipahoa Council on Aging, Inc.	-	-	-	132,860	59,541	57,419	-	65	-	80,956	36,103	180,700	-
Home Instead dba LA Home; Tangi Cares, LLC	-	-	-	-	-	-	-	110,617	-	-	-	-	-
Washington Council on Aging, Inc.	-	-	-	84,637	17,521	45,090	-	89,898	-	20,036	7,378	88,334	-
W. B. R. Council on Aging, Inc.	-	-	-	34,585	11,957	7,576	-	910	-	18,972	2,969	16,933	-
W. Felician Council on Aging, Inc.	-	-	-	24,964	10,028	12,300	-	-	-	11,370	3,816	14,874	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>615,262</u>	<u>246,843</u>	<u>251,433</u>	<u>-</u>	<u>278,046</u>	<u>-</u>	<u>229,773</u>	<u>107,248</u>	<u>479,478</u>	<u>-</u>
Total expenses	<u>11,076</u>	<u>5,816</u>	<u>258,364</u>	<u>615,262</u>	<u>773,396</u>	<u>1,942,970</u>	<u>39,537</u>	<u>278,046</u>	<u>108,874</u>	<u>229,773</u>	<u>178,837</u>	<u>918,431</u>	<u>31,029</u>
Change in net assets before interfund transfers	37,506	(5,816)	(23,573)	-	(117,897)	(326,630)	(266)	-	(12,350)	(56,714)	(34,556)	(125,106)	8
<b>OTHER FINANCING SOURCES (USES):</b>													
Operating transfers in	-	5,750	22,244	-	117,897	326,630	-	-	-	-	6,182	33,004	-
Operating transfers out	(22,244)	-	-	-	-	-	-	-	-	-	-	-	-
	<u>(22,244)</u>	<u>5,750</u>	<u>22,244</u>	<u>-</u>	<u>117,897</u>	<u>326,630</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,182</u>	<u>33,004</u>	<u>-</u>
Change in net assets	15,262	(66)	(1,329)	-	-	-	(266)	-	(12,350)	(56,714)	(28,374)	(92,102)	8
<b>NET ASSETS</b>													
Beginning of year	(68,360)	278	-	-	-	-	-	-	12,350	88,867	29,190	92,102	(8)
End of year	<u>\$ (53,098)</u>	<u>\$ 212</u>	<u>\$ (1,329)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (266)</u>	<u>\$ -</u>	<u>\$ 32,153</u>	<u>\$ 816</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Note: Per instructions from OEA this schedule is prepared without consideration of compensated absences and reports capital outlay in lieu of depreciation expense*

WITH DONOR RESTRICTIONS																	
American Recovery Plan TITLE III-E	American Recovery Plan LTC Ombudsman Volunteer Recruiter	CARES Act LTC Ombudsman	CARES Act Aging and Disability Resource Center/SeniorRx	Vaccine Outreach Alert/Media Aging and Disability Resource Center/SeniorRx	Aging and Disability Resource Center/SeniorRx	LTC Ombudsman	MIPPA Priority 2 AAA	MIPPA Priority 3 ADRC	MIPPA Priority 3 SHIP	Senior Community Services Empl Prog	NSIP	DOI - SHIP OUTREACH	UNITED WAY	State Public Health	OTHER	TOTAL	
\$ 50,835	\$ 34,795	\$ 136	\$ -	\$ -	\$ -	\$ 413,747	\$ 1,825	\$ 2,585	\$ 2,800	\$ 633,851	\$ 468,538	\$ -	\$ -	\$ -	\$ -	\$ 4,877,805	
-	-	-	-	-	-	-	-	-	-	-	-	10,284	-	-	-	10,284	
-	-	-	-	-	181,581	-	-	-	-	-	-	-	-	113,316	-	294,897	
-	-	-	-	-	-	-	-	-	-	-	-	-	2,319	-	-	2,319	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,575	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,408,742	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	26,007	
50,835	34,795	136	-	-	181,581	413,747	1,825	2,585	2,800	633,851	468,538	10,284	2,319	113,316	5,000	6,647,629	
-	15,900	-	-	-	128,108	283,562	985	1,167	-	544,462	-	-	-	-	-	1,262,355	
-	2,245	-	-	-	17,683	62,870	167	176	-	59,199	-	-	-	-	-	200,843	
-	112	-	-	-	1,091	22,231	-	-	-	3,303	-	-	-	-	-	36,245	
-	2,575	-	-	-	27,891	26,578	588	1,242	1,188	14,084	-	-	-	98	-	131,675	
-	5,867	-	-	-	1,543	4,690	85	-	1,612	983	-	-	-	-	-	19,043	
-	8,144	136	-	-	5,115	11,644	-	-	-	3,305	-	-	-	33,817	-	89,128	
-	1,027	-	-	-	150	2,172	-	-	-	8,515	-	-	-	1,350	-	21,472	
-	-	-	-	-	1,063	2,126	-	-	-	797	-	-	-	-	-	5,581	
-	35,870	136	-	-	182,644	415,873	1,825	2,585	2,800	634,648	-	-	-	35,265	-	1,766,342	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,511,329	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,217,303	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,728,632	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,425	
1,756	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205,044	
3,150	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	128,256	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,828	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,361	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188,205	
2,190	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,209	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	90,478	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,964	
75	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	547,719	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,617	
31,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384,254	
1,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,852	
375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,727	
40,856	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,248,939	
40,856	35,870	136	-	-	182,644	415,873	1,825	2,585	2,800	634,648	-	-	-	35,265	-	6,743,913	
9,979	(1,075)	-	-	-	(1,063)	(2,126)	-	-	-	(797)	468,538	10,284	2,319	78,051	5,000	(96,284)	
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	511,707	
-	-	-	-	-	-	-	-	-	-	-	(483,714)	-	-	-	(5,749)	(511,707)	
-	-	-	-	-	-	-	-	-	-	-	(483,714)	-	-	-	(5,749)	-	
9,979	(1,075)	-	-	-	(1,063)	(2,126)	-	-	-	(797)	(15,176)	10,284	2,319	78,051	(749)	(96,284)	
2,142	1,075	-	47,916	68,100	-	-	-	-	-	-	382,806	20,471	6,413	-	66,533	749,875	
\$ 12,121	\$ -	\$ -	\$ 47,916	\$ 68,100	\$ (1,063)	\$ (2,126)	\$ -	\$ -	\$ -	\$ (797)	\$ 367,630	\$ 30,755	\$ 8,732	\$ 78,051	\$ 65,784	\$ 653,591	

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.**  
**SCHEDULE OF CHANGES IN FIXED ASSETS**  
*June 30, 2023*

	Balance June 30, 2022	Reclassifications	Additions	Deletions	Balance June 30, 2023
<b>FIXED ASSETS</b>					
Computer and related equipment	\$ 1,793	\$ -	\$ 5,580	\$ -	\$ 7,373
Office equipment	19,968	-	-	-	19,968
Furniture and fixtures	3,421	-	-	-	3,421
<b>TOTAL FIXED ASSETS</b>	<u>\$ 25,182</u>	<u>\$ -</u>	<u>\$ 5,580</u>	<u>\$ -</u>	<u>\$ 30,762</u>
<b>INVESTMENT IN FIXED ASSETS</b>					
Title III C-1 Area Agency Administration	\$ 3,421	\$ -	\$ 1,328	\$ -	\$ 4,749
Louisiana ADRC/SenioRx	5,006	-	1,063	-	6,069
DHH Single Point of Entry (SPOE)	8,001	-	-	-	8,001
Community Living Program	2,500	-	-	-	2,500
Title III Preventative Health	-	-	266	-	266
Senior Community Services Employment Program	-	-	797	-	797
Title III LTC Ombudsman	-	-	2,126	-	2,126
Local	6,254	-	-	-	6,254
<b>TOTAL INVESTMENT IN FIXED ASSETS</b>	<u>\$ 25,182</u>	<u>\$ -</u>	<u>\$ 5,580</u>	<u>\$ -</u>	<u>\$ 30,762</u>

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Year ended June 30, 2023*

FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	TOTAL FEDERAL EXPENDITURES	TOTAL AMOUNT PROVIDED TO SUBRECIPIENTS
<u>U.S. Department of Health and Human Services</u>					
Passed Through the Louisiana Governor's Office Of Elderly Affairs:					
Special Programs for the Aging:					
Title III, Part B Supportive Services	93.044	720220	\$ 435,837	\$ 435,837	\$ 435,837
Title III, ARP III Part B Supportive Services	93.044	720220	147,100	114,947	114,947
ARP (STPH) Expanding the Public Health Workforce	93.044	720220	113,316	35,265	-
Total Title III, Part B and ARP IIIB			<u>696,253</u>	<u>586,049</u>	
Title III, Part C-Area Agency Administration	93.045	720220	176,095	176,095	-
Title III, ARP Part C-Area Agency Administration	93.045	720220	65,406	65,406	-
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	720220	479,782	479,782	479,782
Title III, ARP Part C-1 Nutritional Services Congregate Meals	93.045	720220	51,774	50,958	50,958
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	720220	342,408	342,408	342,408
Title III, ARP Part C-2 Nutritional Services Home Delivered Meals	93.045	720220	296,561	296,561	296,561
Total Title III, Part C and ARP IIIC			<u>1,412,026</u>	<u>1,411,210</u>	
Nutritional Services Incentive Program	93.053	720102	468,538	468,538	468,538
Total Cluster			<u>2,576,817</u>	<u>2,465,797</u>	
Title III, Part B Ombudsman Long-Term Care Services	93.042	721581	331,284	326,735	-
ARP Title III, Part B Ombudsman Long-Term Care Services	93.042	721581	34,795	34,795	-
COVID-19 - CARES Act Title III, Part B Ombudsman Long-Term Care Services	93.042	721581	136	136	-
Total Title III, Part B Ombudsman Long-Term Care Services			<u>366,215</u>	<u>361,666</u>	
Title III, Part D Disease Prevention and Health Promotion Services	93.043	720220	39,271	39,271	-
Title III, ARP Part D Disease Prevention and Health Promotion Services	93.043	720220	26,603	26,603	-
Total Title III, Part D Disease Prevention and Health Promotion Services			<u>65,874</u>	<u>65,874</u>	
Title III, Part E Caregiver Support	93.052	720220	182,917	182,917	182,917
Title III, ARP Part E Caregiver Support	93.052	720220	38,126	26,005	26,005
Total Title III, Part E Caregiver Support			<u>221,043</u>	<u>208,922</u>	
Medicare Enrollment Assistance Program (MIPPA)	93.071	726094	28,875	7,210	-
Department of Labor					
Title V Senior Community Services Employment Program	17.235	720220	769,949	570,466	-
Passed Through the Louisiana Department of Insurance:					
Center for Medicare and Medicaid Services	93.779	725542	18,600	10,284	-
			<u>\$ 4,047,373</u>	<u>\$ 3,690,219</u>	

**CAPITAL AREA AGENCY ON AGING – DISTRICT II, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
*June 30, 2023*

**NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Agency under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C—INDIRECT COST RATE**

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEADS**

*June 30, 2023*

Agency Head Name: Craig Kaberline  
Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,150
Benefits - insurance	9,691
Benefits - retirement	3,758
Travel	1,240



**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***

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

We have audited, 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, the financial statements of Capital Area Agency on Aging – District II, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Agency on Aging - District II, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Capital Area Agency on Aging - District II, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Capital Area Agency on Aging - District II, Inc.'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 determination of financial statement amounts. 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

*F. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana*

*December 13, 2023*



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

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Capital Area Agency on Aging - District II, Inc.'s 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 Capital Area Agency on Aging - District II, Inc.'s major federal programs for the year ended June 30, 2023. Capital Area Agency on Aging - District II, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the 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 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Capital Area Agency on Aging - District II, Inc. 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 Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'s federal programs.

### ***Auditor's 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 Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'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 Capital Area Agency on Aging - District II, Inc.'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 Auditor's 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.

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.

*F. A. Champagne & Co., LLP*  
Baton Rouge, Louisiana  
December 13, 2023

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**SUMMARY OF AUDIT RESULTS AND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*Year Ended June 30, 2023*

**A: SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Capital Area Agency on Aging - District II, Inc.
2. No significant deficiencies or material weaknesses in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unmodified opinion.
6. There were no reportable audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc.
7. The programs tested as a major program are as follows:
  - U. S. Department of Health and Human Services Special Programs for the Aging Cluster
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Capital Area Agency on Aging - District II, Inc. was determined not to be a low-risk auditee.

**B: FINDINGS - FINANCIAL STATEMENTS AUDIT**

There are no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

There are no findings that are required to be reported in this section of the report.

**D: SCHEDULE OF CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS**

There were no findings in the prior year.



## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of the Capital Area Agency on Aging District II, Inc. and the Louisiana Legislative Auditor:

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

Capital Area Agency on Aging District II, Inc. (the Agency) 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:

### ***1) Written Policies and Procedures***

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- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.  
*Results: No exceptions were found as a result of this procedure.*
  - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.  
*Results: No exceptions were found as a result of this procedure.*
  - iii. ***Disbursements***, including processing, reviewing, and approving.  
*Results: No exceptions were found as a result of this procedure.*

- iv. **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).
- Results: No exceptions were found as a result of this procedure.*
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- Results: No exceptions were found as a result of this procedure.*
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- Results: No exceptions were found as a result of this procedure.*
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- Results: No exceptions were found as a result of this procedure.*
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- Results: No exceptions were found as a result of this procedure.*
- ix. **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.
- Results: No exceptions were found as a result of this procedure.*
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- Results: Not applicable as the Agency is a nonprofit organization.*

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Results: No exceptions were found as a result of this procedure.*

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

*Results: Not applicable as the Agency is a nonprofit organization.*

## **2) Board or Finance Committee**

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- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Results: No exceptions were found as a result of this procedure.*

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Results: No exceptions were found as a result of this procedure.*

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Results: Not applicable as the Agency is a nonprofit organization.*

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

*Results: No exceptions were found as a result of this procedure.*

### **3) Bank Reconciliations**

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- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional 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:
  - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and  
*Results: No exceptions were found as a result of this procedure.*
  - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*Results: No exceptions were found as a result of this procedure.*

### **4) Collections (excluding electronic funds transfers)**

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- A. 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).  
*Results: No exceptions were found as a result of this procedure.*
- B. 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 (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that
  - i. Employees responsible for cash collections do not share cash drawers/registers;  
*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

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

*Results: No exceptions were found as a result of this procedure.*

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

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

*Results: No exceptions were found as a result of this procedure.*

- ii. At least two employees are involved in processing and approving payments to vendors;

*Results: No exceptions were found as a result of this procedure.*

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

*Results: No exceptions were found as a result of this procedure.*

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.  
*Results: No exceptions were found as a result of this procedure.*
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.  
*Results: No exceptions were found as a result of this procedure.*

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

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- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.  
*Results: No exceptions were found as a result of this procedure.*
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe that finance charges and late fees were not assessed on the selected statements.  
*Results: No exceptions were found as a result of this procedure.*

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

*Results: No exceptions were found as a result of this procedure.*

## **7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

## 8) Contracts

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- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;  
*Results: No exceptions were found as a result of this procedure.*
  - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);  
*Results: No exceptions were found as a result of this procedure.*
  - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and  
*Results: No exceptions were found as a result of this procedure.*
  - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.  
*Results: No exceptions were found as a result of this procedure.*

## 9) Payroll and Personnel

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- A. 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.  
*Results: No exceptions were found as a result of this procedure.*
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);  
*Results: No exceptions were found as a result of this procedure.*

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;  
*Results: No exceptions were found as a result of this procedure.*
  - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and  
*Results: No exceptions were found as a result of this procedure.*
  - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.  
*Results: No exceptions were found as a result of this procedure.*
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.  
*Results: No exceptions were found as a result of this procedure.*
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.  
*Results: No exceptions were found as a result of this procedure.*

## **10) Ethics**

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- a. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and  
*Results: No exceptions were found as a result of this procedure.*
  - b. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.  
*Results: No exceptions were found as a result of this procedure.*
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.  
*Results: No exceptions were found as a result of this procedure.*

## ***11) Debt Service***

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- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

*Results: Not applicable as the Agency is a nonprofit organization.*

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

*Results: Not applicable as the Agency is a nonprofit organization.*

## ***12) Fraud Notice***

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

*Results: No exceptions were found as a result of this procedure.*

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

*Results: No exceptions were found as a result of this procedure.*

## ***13) Information Technology Disaster Recovery/Business Continuity***

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- A. 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 there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

*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 there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

*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.*

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

*Results: No exceptions were found as a result of this procedure.*

#### ***14) Prevention of Sexual Harassment***

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- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

*Results: Not applicable as the Agency is a nonprofit organization.*

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

*Results: Not applicable as the Agency is a nonprofit organization.*

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

- i. Number and percentage of public servants in the agency who have completed the training requirements;

*Results: Not applicable as the Agency is a nonprofit organization.*

- ii. Number of sexual harassment complaints received by the agency;

*Results: Not applicable as the Agency is a nonprofit organization.*

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;  
*Results: Not applicable as the Agency is a nonprofit organization.*
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and  
*Results: Not applicable as the Agency is a nonprofit organization.*
- v. Amount of time it took to resolve each complaint.  
*Results: Not applicable as the Agency is a nonprofit organization.*

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

We are required to be independent of the Capital Area Agency on Aging District II, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

*L. A. Champagne & Co, LLP*

*Baton Rouge, Louisiana  
December 13, 2023*