

LAFAYETTE COUNCIL ON AGING, INC.

Lafayette, Louisiana

Financial Report

Year Ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, , each major fund, and the aggregate remaining fund information of the Council's, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 40 through 46 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying schedule of non-major funds, comparative schedule of general fixed assets and comparative financial statements on pages 48 through 52 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of nonmajor funds, comparative schedule of general fixed assets, comparative financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 11, 2022, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Council's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

October 11, 2022

GOVERNMENT WIDE FINANCIAL STATEMENTS

LAFAYETTE COUNCIL ON AGING, INC.

Government Wide Statement of Net Position
June 30, 2022

	Governmental Activities	Business - Type Activities	Total
Assets			
Cash	\$ 316,864	\$ 503,725	\$ 820,589
Cash - restricted	-	1,917,382	1,917,382
Cash - restricted for debt service (USDA)	-	99,039	99,039
Accounts receivable	56,567	-	56,567
Grants and contracts receivable	94,832	-	94,832
Prepaid expenses	11,584	198,253	209,837
Due from (to) other funds	32,997	(32,997)	-
Capital assets, net of accumulated depreciation	<u>28,770</u>	<u>4,299,975</u>	<u>4,328,745</u>
 Total Assets	 <u>541,614</u>	 <u>6,985,377</u>	 <u>7,526,991</u>
Liabilities			
Accounts payable	38,037	14,286	52,323
Tenants' deposits - payable from restricted cash	-	55,552	55,552
Accrued payroll and related benefits	51,078	-	51,078
Accrued compensated absences	22,182	-	22,182
Deferred revenue	440	-	440
Notes payable:			
Current portion	-	139,949	139,949
Non-current portion	<u>-</u>	<u>1,617,008</u>	<u>1,617,008</u>
 Total Liabilities	 <u>111,737</u>	 <u>1,826,795</u>	 <u>1,938,532</u>
Net Position			
Invested in Capital Assets, net of debt	28,770	2,543,018	2,571,788
Restricted for:			
Title III E	10,930	-	10,930
Utility Assistance	21,879	-	21,879
Prepaid expenses	11,584	198,253	209,837
Unrestricted	<u>356,714</u>	<u>2,417,311</u>	<u>2,774,025</u>
 Total Net Position	 <u>\$ 429,877</u>	 <u>\$ 5,158,582</u>	 <u>\$ 5,588,459</u>

The accompanying notes are an integral part of this statement.

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LAFAYETTE COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2022

<u>Function/Programs</u>	Direct	Indirect
Governmental Activities	Expenses	Expenses
Health, Welfare & Social Services:		
Supportive Services:		
Homemaker	\$ 67,145	\$ 16,395
Information and assistance	54,388	13,280
Outreach	7,806	1,906
Transportation	55,760	13,616
Nutrition Services:		
Congregate meals	42,324	9,175
Nutrition education	1,515	328
Home delivered meals	227,542	44,307
National Family Caregiver Support:		
Information and assistance	9,989	2,947
In Home Respite	33,857	9,988
Senior Center - Recreation	165,648	35,056
Foster Grandparent Program	179,769	61,359
Elderly Housing Management	59,179	-
Senior Olympics	10,003	-
Newspaper	20,542	-
Office Rental	14,675	-
Energy Assistance	5,209	-
Administration	200,160	-
Total governmental activities	<u>1,155,511</u>	<u>208,357</u>
Business-Type Activities		
Woodvale Place Apartments	1,113,665	-
Belle Rose Gardens	445,784	-
Total business-type activities	<u>1,559,449</u>	<u>-</u>
Total	<u>\$ 2,714,960</u>	<u>208,357</u>

			Net (Expense) Revenue and Increases (Decreases) in Net Position		
Program Revenues			Total	Total	
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
\$ 5,227	\$ 58,709	\$ -	\$ (19,604)	\$ -	\$ (19,604)
-	47,555	-	(20,113)	-	(20,113)
-	6,825	-	(2,887)	-	(2,887)
5,211	48,756	-	(15,409)	-	(15,409)
3,873	42,327	-	(5,299)	-	(5,299)
-	1,515	-	(328)	-	(328)
43,031	70,798	-	(158,020)	-	(158,020)
-	15,426	-	2,490	-	2,490
-	52,285	-	8,440	-	8,440
-	191,986	-	(8,718)	-	(8,718)
-	235,407	-	(5,721)	-	(5,721)
-	217,603	-	158,424	-	158,424
3,810	-	-	(6,193)	-	(6,193)
-	20,449	-	(93)	-	(93)
22,710	-	-	8,035	-	8,035
-	15,000	-	9,791	-	9,791
-	200,160	-	-	-	-
<u>83,862</u>	<u>1,224,801</u>	<u>-</u>	<u>(55,205)</u>	<u>-</u>	<u>(55,205)</u>
881,652	407,386	-	-	175,373	175,373
<u>408,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,522)</u>	<u>(37,522)</u>
<u>1,289,914</u>	<u>407,386</u>	<u>-</u>	<u>-</u>	<u>137,851</u>	<u>137,851</u>
<u>\$ 1,373,776</u>	<u>\$ 1,632,187</u>	<u>\$ -</u>	<u>(55,205)</u>	<u>137,851</u>	<u>82,646</u>
General Revenues:					
Grants and contributions not restricted to specific programs			93,909	-	93,909
Unrestricted investment income			-	5,287	5,287
Miscellaneous			26,215	-	26,215
Total general revenues and transfers			<u>120,124</u>	<u>5,287</u>	<u>125,411</u>
Increase (decrease) in net position			64,919	143,138	208,057
Net position - beginning of the year			<u>364,958</u>	<u>5,015,444</u>	<u>5,380,402</u>
Net position - end of the year			<u>\$ 429,877</u>	<u>\$ 5,158,582</u>	<u>\$ 5,588,459</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

LAFAYETTE COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2022

	General Fund	Title III B	Title III C-2	Elderly Housing Management	Foster Grandparents	Non-Major Funds	Total
Assets							
Cash	\$ 294,314	\$ -	\$ -	\$ -	\$ 22,550	\$ -	\$ 316,864
Accounts receivable	16,082	-	-	16,160	24,325	-	56,567
Grants and contracts receivable	-	61,975	3,150	-	-	29,707	94,832
Due from other funds	606,161	59,434	2,875	177,696	4,971	21,879	873,016
Prepaid expenditures	10,415	-	-	-	1,169	-	11,584
Total Assets	<u>\$ 926,972</u>	<u>\$ 121,409</u>	<u>\$ 6,025</u>	<u>\$ 193,856</u>	<u>\$ 53,015</u>	<u>\$ 51,586</u>	<u>\$ 1,352,863</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	12,478	2,042	6,025	94	17,058	340	38,037
Accrued payroll and related benefits	51,078	-	-	-	-	-	51,078
Deferred revenue	440	-	-	-	-	-	440
Due to other funds	<u>475,675</u>	<u>119,367</u>	<u>-</u>	<u>177,715</u>	<u>35,957</u>	<u>31,305</u>	<u>840,019</u>
Total Liabilities	<u>539,671</u>	<u>121,409</u>	<u>6,025</u>	<u>177,809</u>	<u>53,015</u>	<u>31,645</u>	<u>929,574</u>
Fund Balances:							
Nonspendable							
Prepaid expenditures	10,415	-	-	-	1,169	-	11,584
Restricted for:							
Title III E	10,930	-	-	-	-	-	10,930
Utility assistance	21,879	-	-	-	-	-	21,879
Unassigned	<u>344,077</u>	<u>-</u>	<u>-</u>	<u>16,047</u>	<u>(1,169)</u>	<u>19,941</u>	<u>378,896</u>
Total Fund Balances	<u>387,301</u>	<u>-</u>	<u>-</u>	<u>16,047</u>	<u>-</u>	<u>19,941</u>	<u>423,289</u>
Total Liabilities and Fund Balances	<u>\$ 926,972</u>	<u>\$ 121,409</u>	<u>\$ 6,025</u>	<u>\$ 193,856</u>	<u>\$ 53,015</u>	<u>\$ 51,586</u>	

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

- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds (22,182)
- Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds -
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 28,770

Total net position of governmental activities \$ 429,877

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

	General Fund	Title III B	Title III C-2	Elderly Housing Management	Foster Grandparents	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 329,073	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 329,073
Cajun Area Agency on Aging, Inc. Corp. for National and Community Service	-	161,845	11,966	-	-	106,753	280,564
Dept. of Transportation and Development	93,500	-	-	-	235,407	-	235,407
Program Service Fees:							
Transportation	-	5,211	-	-	-	-	5,211
Homemaker	-	5,227	-	-	-	-	5,227
Congregate meals	-	-	-	-	-	3,873	3,873
Home delivered meals	-	-	43,031	-	-	-	43,031
Local and miscellaneous:							
Municipalities	32,726	-	31,448	-	-	4,800	68,974
Office rental	22,710	-	-	-	-	-	22,710
United Way	-	-	10,000	-	-	-	10,000
Energy	-	-	-	-	-	15,000	15,000
Donations	40,165	-	17,384	-	-	-	57,549
Management fee income	-	-	-	217,603	-	-	217,603
Fundraising	11,040	-	-	-	-	-	11,040
Miscellaneous	26,215	-	-	-	-	3,810	30,025
Total Revenues	<u>555,429</u>	<u>172,283</u>	<u>113,829</u>	<u>217,603</u>	<u>235,407</u>	<u>134,236</u>	<u>1,428,787</u>
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	228,087	154,846	169,984	48,778	54,073	87,835	743,603
Fringe	26,479	14,003	13,860	4,109	5,278	9,952	73,681
Travel	8,454	11,954	71,026	240	12,072	3,208	106,954
Operating Services	80,745	40,030	15,028	6,052	7,966	19,233	169,054
Operating Supplies	37,241	9,463	1,894	-	1,337	3,690	53,625
Other Costs	36,187	-	57	-	160,402	1,417	198,063
Capital Outlay	-	-	-	-	-	-	-
Total Expenditures	<u>417,193</u>	<u>230,296</u>	<u>271,849</u>	<u>59,179</u>	<u>241,128</u>	<u>125,335</u>	<u>1,344,980</u>
Excess (deficiency) of revenues over expenditures	<u>138,236</u>	<u>(58,013)</u>	<u>(158,020)</u>	<u>158,424</u>	<u>(5,721)</u>	<u>8,901</u>	<u>83,807</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	62,054	58,013	158,020	-	5,721	11,820	295,628
Transfers out	<u>(117,044)</u>	<u>-</u>	<u>-</u>	<u>(167,654)</u>	<u>-</u>	<u>(10,930)</u>	<u>(295,628)</u>
Total other financing sources and uses	<u>(54,990)</u>	<u>58,013</u>	<u>158,020</u>	<u>(167,654)</u>	<u>5,721</u>	<u>890</u>	<u>-</u>
Net increase (decrease) in fund balances	83,246	-	-	(9,230)	-	9,791	83,807
FUND BALANCES							
Beginning of the year	<u>304,055</u>	<u>-</u>	<u>-</u>	<u>25,277</u>	<u>-</u>	<u>10,150</u>	<u>339,482</u>
End of the year	<u>\$ 387,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,047</u>	<u>\$ -</u>	<u>\$ 19,941</u>	<u>\$ 423,289</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2022

Net increase in fund balances - total governmental funds	\$ 83,807
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$23,469) exceeded capital outlays (\$0) during the year	(23,469)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	<u>4,581</u>
Increase in net position of governmental activities	<u>\$ 64,919</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Net Position
 Proprietary Funds
 June 30, 2022

	<u>Woodvale Place Apartments</u>	<u>Belle Rose Gardens</u>	<u>Total</u>
Assets			
Cash	\$ 459,594	\$ 44,131	\$ 503,725
Cash - restricted deposits	1,799,237	118,145	1,917,382
Cash - reserved for debt service (USDA)	-	99,039	99,039
Accounts receivable	-	-	-
Prepaid expenses	172,209	26,044	198,253
Capital assets, net of accumulated depreciation	<u>1,661,603</u>	<u>2,638,372</u>	<u>4,299,975</u>
Total Assets	<u>4,092,643</u>	<u>2,925,731</u>	<u>7,018,374</u>
 Total Assets	 <u>\$ 4,092,643</u>	 <u>\$ 2,925,731</u>	 <u>\$ 7,018,374</u>
Liabilities			
Accounts payable	\$ 14,286	\$ -	\$ 14,286
Tenants' deposits - payable from restricted cash	40,702	14,850	55,552
Due to other funds	25,745	7,252	32,997
Notes payable:			
Current portion	-	139,949	139,949
Non-current portion	<u>-</u>	<u>1,617,008</u>	<u>1,617,008</u>
Total Liabilities	<u>80,733</u>	<u>1,779,059</u>	<u>1,859,792</u>
Net Position			
Invested in Capital Assets, net of debt	1,661,603	881,415	2,543,018
Restricted	172,209	26,044	198,253
Unrestricted	<u>2,178,098</u>	<u>239,213</u>	<u>2,417,311</u>
Total Net Position	<u>\$ 4,011,910</u>	<u>\$ 1,146,672</u>	<u>\$ 5,158,582</u>

The accompanying notes are an integral part of this statement

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2022

	<u>Woodvale Place Apartments</u>	<u>Belle Rose Gardens</u>	<u>Total</u>
Operating Revenue			
Rental income	\$ 1,264,268	\$ 407,791	\$ 1,672,059
Other income	<u>24,770</u>	<u>471</u>	<u>25,241</u>
Total Operating Revenues	<u>1,289,038</u>	<u>408,262</u>	<u>1,697,300</u>
Operating Expenses			
Rental	1,776	-	1,776
Administrative	352,086	95,464	447,550
Taxes and insurance	103,010	66,759	169,769
Maintenance	371,289	62,136	433,425
Depreciation	201,378	134,714	336,092
Operating	<u>84,126</u>	<u>13,859</u>	<u>97,985</u>
Total Operating Expenses	<u>1,113,665</u>	<u>372,932</u>	<u>1,486,597</u>
Operating income	<u>175,373</u>	<u>35,330</u>	<u>210,703</u>
Nonoperating Revenues (Expenses)			
Interest income	4,389	898	5,287
Interest expense	<u>-</u>	<u>(72,852)</u>	<u>(72,852)</u>
Total Nonoperating Revenues (Expenses)	<u>4,389</u>	<u>(71,954)</u>	<u>(67,565)</u>
Change in Net Position	179,762	(36,624)	143,138
Net Position - Beginning	<u>3,832,148</u>	<u>1,183,296</u>	<u>5,015,444</u>
Net Position - Ending	<u>\$ 4,011,910</u>	<u>\$ 1,146,672</u>	<u>\$ 5,158,582</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2022

	Woodvale Place <u>Apartments</u>	Belle Rose <u>Gardens</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from tenants	\$ 1,287,093	\$ 408,673	\$ 1,695,766
Selling and administrative expenses paid	(841,177)	(225,034)	(1,066,211)
Cash paid to suppliers	(84,126)	(13,859)	(97,985)
Taxes and insurance paid	<u>(103,010)</u>	<u>(66,759)</u>	<u>(169,769)</u>
Net cash provided by operating activities	<u>258,780</u>	<u>103,021</u>	<u>361,801</u>
CASH FLOWS FROM NONCAPITAL FINANCING:			
Increase in due to other funds	<u>1,417</u>	<u>693</u>	<u>2,110</u>
Net cash provided by noncapital financing activities	<u>1,417</u>	<u>693</u>	<u>2,110</u>
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES:			
Interest paid on capital debt	-	(72,852)	(72,852)
Repayment of notes payable	<u>-</u>	<u>(176,358)</u>	<u>(176,358)</u>
Net cash used by capital and capital related financing activities	<u>-</u>	<u>(249,210)</u>	<u>(249,210)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	<u>4,389</u>	<u>898</u>	<u>5,287</u>
Net cash provided by investing activities	<u>4,389</u>	<u>898</u>	<u>5,287</u>
Net increase (decrease) in cash and cash equivalents	264,586	(144,598)	119,988
Cash and cash equivalents, beginning of year	<u>1,994,245</u>	<u>405,913</u>	<u>2,400,158</u>
Cash and cash equivalents, end of year	<u>\$ 2,258,831</u>	<u>\$ 261,315</u>	<u>\$ 2,520,146</u>
<u>Cash and cash equivalents per statement of net position:</u>			
Cash	\$ 459,594	\$ 44,131	\$ 503,725
Cash - restricted deposits	1,799,237	118,145	1,917,382
Cash - reserved for debt service (USDA)	<u>-</u>	<u>99,039</u>	<u>99,039</u>
Cash and cash equivalents, end of year	<u>\$ 2,258,831</u>	<u>\$ 261,315</u>	<u>\$ 2,520,146</u>
RECONCILIATION OF OPERATING INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating income	\$ 175,373	\$ 35,330	\$ 210,703
Adjustments to reconcile operating income to net cash provided by operating activities:			
Change in current assets and liabilities:			
Depreciation	201,378	134,714	336,092
Increase (decrease) in prepaid expenses	(105,960)	68,940	(37,020)
Increase (decrease) in accounts payable	(10,066)	(136,374)	(146,440)
Increase (decrease) in tenants' deposits	<u>(1,945)</u>	<u>411</u>	<u>(1,534)</u>
Net cash provided by operating activities	<u>\$ 258,780</u>	<u>\$ 103,021</u>	<u>\$ 361,801</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

Specific services provided by the Council to the elderly residents of Lafayette Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion, and transportation.

B. Reporting Entity

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

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

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Lafayette Council On Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on November 9, 1965.

A board of directors, consisting of 13 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the parish's elderly population, general public, private businesses, and elected public officials.

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

Based on the criteria set forth in GASB Statement 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

C. Presentation of Statements

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

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

D. Basic Financial Statements - Government-Wide Statements

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

In the Government-Wide Statement of Net Position, the governmental type activities column and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net position consists of the net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position includes all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

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

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Statements of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any material special items this year.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basic Financial Statements - Fund Financial Statements

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

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

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

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

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

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

Local Programs and Funding are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2022, the Council received this grant money into its General Fund and management transferred \$116,638 of the PCOA funds to the Title III Funds to help pay for program expenditures of those funds.

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates four senior centers in Lafayette Parish, Louisiana. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly.

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Lafayette Council On Aging, Inc. was one of the parish councils to receive two supplemental grants of \$3,100 and \$7,813. The money received by this fund during the year was transferred to the Title III funds to supplement the supportive services provided by this fund. GOEA provided these funds to the Council.

The Office Rental Fund is used to account for the revenues and expenditures associated with the rental of extra office space owned by the Lafayette Council on Aging, Inc. to third parties.

The Other Services – Local Fund is used to account for indirect costs and the revenues from the various programs used to pay these indirect costs.

The United Givers Fund is used to report assistance received from the community's regular United Appeals activity. The funds are received upon application to the United Givers Agency and are subject to reporting to, and monitoring by, that Agency.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "*proceeds of specific revenue sources*" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue and their classification as either a major or nonmajor governmental fund:

Major Special Revenue Funds

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

	<u>Units</u>
Homemaker	4,867
Information and assistance	1,818
Outreach	626
Transportation for people age 60 or older	3,048
Visiting	171

The two main sources of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$161,845) and restricted, voluntary contributions from the public (\$10,438), including those people who actually received transportation and homemaker services.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 106,536 meals during the year to people eligible to participate in this program.

There were three main sources of revenue received this year that formed the basis of this fund: grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$11,966), restricted voluntary contributions from the public (\$43,031), including those persons actually receiving home-delivered meal services and local grants (\$58,832).

The Elderly Housing Management Fund represents management fees and expenditures relating to the management of various housing facilities, including Woodvale Place Apartments and Belle Rose Gardens.

The Foster Grandparents Fund is used to account for federal funds, which are provided directly by the Corporation for National and Community Service and state funds which are provided directly the Louisiana Governor's Office of Elderly Affairs to pay for the expenses incurred by low-income, senior citizens, age 60 and over, who have volunteered their time to assist in providing companionship and guidance for physically and mentally handicapped children and children who have been abused and neglected in the juvenile justice system, or have other special needs.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2022, the Council served about 11,404 congregate meals and also provided 377 units of nutritional education to eligible participants.

There were three main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$39,042), restricted voluntary contributions from the public (\$3,873), including those persons actually receiving congregate meal services and local grants (\$4,800).

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. Then number of units provided under the Title III E is as follows:

	<u>Units</u>
Information and assistance	46
In Home Respite	1,273
Sitter Service	1,873

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$67,711).

The Senior Olympics Fund is used to account for the revenues and expenditures associated with the Senior Olympics fundraising event.

The Energy Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The funds are used to provide assistance to the elderly for the payment of their utility bills. No indirect or administration expenses can be paid for with these funds.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the Council reports the following fund types:

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Proprietary funds include the following fund type:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Council applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Council's enterprise funds are Woodvale Place Apartments and Belle Rose Gardens.

F. **Measurement Focus and Basis of Accounting**

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

Accrual Basis – Government-Wide Financial Statements (GWFS):

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

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Measurement Focus and Basis of Accounting (Continued)

Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

I. Receivables

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

J. Prepaid Expenses/Expenditures

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

In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Expenses/Expenditures (Continued)

These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as “matching” payments to acquire vehicles that will be titled to another government are recorded as a prepaid expense and amortized in the Statement of Net Position to better present the economics of this type of transaction and to keep from distorting the Council’s transportation expenses in the Statement of Activities. In contrast, 100% of the “matching” payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

K. Capital Assets

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset’s useful life. Routine repairs and maintenance are expensed as incurred.

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

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Capital Assets (Continued)

Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Building and improvements	40 years
Furniture and equipment	5-7 years
Vehicles	5 years
Computers	3 years

When calculating depreciation, the State's guidelines assumes that capital assets will not have any salvage value.

Fund Financial Statements

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

L. Non-Current (Long-term) Liabilities

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

M. Unpaid Compensated Absences

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences create a reconciling item between the fund and government-wide financial statement presentations.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Unpaid Compensated Absences (Continued)

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

N. Deferred Revenues

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council had deferred revenue of \$440 for the year ended June 30, 2022.

O. Net Positions in the Government-wide Financial Statements

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

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council did not have any borrowings that were related to capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first to finance its activities.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose.
- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Q. Management's Use of Estimates

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

R. Allocation of Indirect Expenses

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

S. Elimination and Reclassifications

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

T. Subsequent Events

Management has evaluated subsequent events through October 11, 2022, the date the financial statements were available to be issued.

NOTE 2 REVENUE RECOGNITION

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

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

The Older American Act of 1965 Title III programs operate under a performance based contract. Title III program revenue is earned by the Council based on units of service provided within the guidelines of the related programs.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS

The Council maintains a consolidated bank account which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains another demand deposit account to manage its EFSP funds.

As described by Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$2,837,010, whereas the related bank balances totaled \$2,893,070. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, bank balances in the amount of \$38,577 were not insured by federal depository insurance or pledged securities.

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
JP Morgan Chase Bank	\$ 316,864	\$ 316,864	None	Demand	Category 1
First Horizon	<u>2,520,146</u>	<u>2,520,146</u>	0.25%	Demand	Category 1
Total Cash	<u>\$2,837,010</u>	<u>\$2,837,010</u>			
Unrestricted Purpose	<u>\$ 820,589</u>				
Restricted Purposes	<u>\$2,016,421</u>				

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose. Cash restricted for debt service is used to account for the accumulation of resources for the payment of long-term debt principle, interest and related costs. The fully funded balance represents amounts due within one year.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 PREPAID EXPENDITURES AND EXPENSES

At year-end, prepaid expenditures in the Government Wide Statement of Net Position consists of \$11,584 of prepaid expenses. All of the prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

NOTE 5 INTERFUND RECEIVABLES AND PAYABLES

The Council operates its programs under cost reimbursement type grants, therefore it pays for expenditures from the General Fund and then requests reimbursement from the grant programs when funds are received. Such advances create short-term interfund loans.

A summary of these interfund loans, at year-end, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund:		
Local	\$ 296,632	\$ 254,374
Newspaper	-	10,196
Other elderly services	118,281	71,722
Office Rental	51,924	-
Senior Center	-	59
Special Revenue Funds:		
Title III B	59,434	119,367
Title III C-1	-	4,637
Title III C-2	2,875	-
Title III D	-	-
Title III E	-	24,779
Elderly Housing Management	177,696	177,715
Energy Assistance	21,879	-
Foster Grandparents Program	-	30,986
Senior Olympics	-	1,889
Proprietary Funds:		
Woodvale Place Apartments	-	25,745
Belle Rose Gardens	-	7,252
Total	<u>\$ 728,721</u>	<u>\$ 728,721</u>

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2022 consist of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Proprietary</u>	<u>Total</u>
Elderly housing projects	\$ -	\$ 16,160	\$ -	\$ 16,160
Foster grand parent	-	24,325	-	24,325
Other	<u>16,082</u>	<u>-</u>	<u>-</u>	<u>16,082</u>
	<u>\$ 16,082</u>	<u>\$ 40,485</u>	<u>\$ -</u>	<u>\$ 56,567</u>

NOTE 7 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end.

Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
<u>Governmental Funds</u>			
Social Services	III B	CAAA	\$ 61,975
Congregate Meals	III C-1	CAAA	4,867
Home Delivered Meals	III C-2	CAAA	3,150
Caregivers	III E	CAAA	<u>24,840</u>
			<u>\$ 94,832</u>

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022
Capital Assets				
Land	\$ 769,094	\$ -	\$ -	\$ 769,094
Furniture & equipment	264,409	-	-	264,409
Building	7,017,752	-	-	7,017,752
Building improvements	2,175,329	-	-	2,175,329
Vehicles	177,923	-	-	177,923
Subtotal	<u>10,404,507</u>	<u>-</u>	<u>-</u>	<u>10,404,507</u>
Accumulated depreciation				
Furniture & equipment	256,422	2,483	-	258,905
Building	4,302,245	223,445	-	4,525,690
Building improvements	1,016,143	114,495	-	1,130,638
Vehicles	141,391	19,138	-	160,529
Subtotal	<u>5,716,201</u>	<u>359,561</u>	<u>-</u>	<u>6,075,762</u>
Net capital assets	<u>\$ 4,688,306</u>	<u>\$ (359,561)</u>	<u>\$ -</u>	<u>\$ 4,328,745</u>

All the Council's vehicles are operational at year end. The Council's management has reviewed capital assets and does not believe any capital assets have been impaired as of year-end.

Depreciation was charged to governmental activities totaling \$23,469 as administration expense and to proprietary funds totaling \$336,092 for the year ended June 30, 2022.

NOTE 9 CHANGES IN LONG-TERM DEBT

The Council had long-term debt during the year related to compensated absences. The following is a schedule of the changes in long-term debt for the accrued compensated absences:

	Balance June 30, 2021	Increases	Decreases	Balance June 30, 2022	Due Within One Year
Accrued annual leave	\$ 26,763	\$ -	\$ (4,581)	\$ 22,182	\$ 22,182
Notes payable	1,933,315	33,606	(209,964)	1,756,957	139,949
Total long-term debt	<u>\$ 1,960,078</u>	<u>\$ 33,606</u>	<u>\$ (214,545)</u>	<u>\$ 1,779,139</u>	<u>\$ 162,131</u>

The additions and reductions to compensated absences during the year represent the net change during the year because the additions and reductions could not be readily determined.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 CHANGES IN LONG-TERM DEBT (CONTINUED)

Notes payable at June 30, 2022, are comprised of the following:

Proprietary funds

Note payable to USDA in the original amount of \$1,458,670, dated August 24, 2006, payable in 360 monthly installments of \$7,308, including interest at 4.25% per annum, collateralized by a building	\$ 860,750
Note payable to First Horizon in the original amount of \$1,598,220, dated August 24, 2006, due November 28, 2032, bearing interest at 5.5%, secured by real estate	880,572
Note payable to Insurance Premium Financing Solutions in the original amount of \$17,266, dated May 30, 2022, payable in ten monthly installments of \$1,839, bearing interest at 13.99%.	15,635
Note payable to Insurance Premium Financing Solutions in the original amount of \$16,340, dated October 1, 2021, payable in six monthly installments of \$2,799, bearing interest at 9.524%.	-
	<u>\$ 1,756,957</u>

The annual requirements to amortize all debt outstanding at June 30, 2022, including interest payments of \$446,021 are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 139,949	\$ 67,371
2024	129,327	62,358
2025	134,543	57,142
2026	139,971	51,714
2027	145,618	46,067
2028 - 2032	720,012	134,425
2033 - 2035	347,537	26,944
	<u>\$ 1,756,957</u>	<u>\$ 446,021</u>

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Council has \$11,584 of nonspendable funds that are to be used for prepaid expenses.

The Council has other assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. These amounts are also reported as restricted fund balance. These include escrow-type deposits required by the U.S. Department of Housing and Urban Development (HUD) in connection with elderly housing projects undertaken and sponsored by the Council. Other restricted assets arise because of gifts solicited and collected for a specific purpose by the Council. Other assets are restricted by the terms and nature of the grant. Finally, some assets represent "deposits" pledged to confirm the Council's intentions with respect to certain projects. Related accumulated income is included in some of the restricted balances.

Title III E	\$ 10,930
Utility Assistance	<u>21,879</u>
Total Restricted Fund Balance	<u>\$ 32,809</u>

NOTE 11 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 12 IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year, which have been valued at their estimated fair market value, and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income (loss) in the governmental funds.

NOTE 13 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. The Council had no material unrelated business income for the fiscal year under audit.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a "more than not" threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Council has evaluated its tax position and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

NOTE 15 ECONOMIC DEPENDENCY

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA). The grant amounts are appropriated each year by the federal, state and local governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

NOTE 16 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. There were no claims in the prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE 17 INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 INTERFUND TRANSFERS (Continued)

Operating transfers to and from the various funds are as follows for the fiscal year:

Funds transferring out:	General Fund	Title III B	Funds Transferring In:			Foster Grandparents	Senior Olympics	Totals
			Title III C-1	Title III C-2				
Governmental Funds:								
PCOA	\$ -	\$ 50,000	\$ 5,000	\$ 61,638	\$ -	\$ -	\$ 116,638	
Senior Center	-	-	406	-	-	-	406	
Total General Fund	-	50,000	5,406	61,638	-	-	117,044	
Major Funds:								
Elderly Housing								
Management	51,124	8,013	221	96,382	5,721	6,193	167,654	
Non- Major Funds:								
Title III E	10,930	-	-	-	-	-	10,930	
Total all funds	\$ 62,054	\$ 58,013	\$ 5,627	\$ 158,020	\$ 5,721	\$ 6,193	\$ 295,628	

NOTE 18 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to Executive Directors for the year ended June 30, 2022 is shown below:

Katherin Boudreaux, July 1, 2021 - March 21, 2022	
Purpose	Amount
Salary	\$ 56,192
Benefits - insurance and retirement	4,607
Travel	478
Reimbursements and other	1,659
Total	\$ 62,936
Mary Elaine Vasseur, March 22, 2022 - May 15, 2022	
Purpose	Amount
Salary	\$ 7,375
Benefits - insurance and retirement	417
Reimbursements and other	97
Total	\$ 7,889
Lakisha Varner, May 16, 2022 - June 30, 2022	
Purpose	Amount
Salary	\$ 10,833
Reimbursements and other	218
Total	\$ 11,051

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 EMPLOYEE BENEFITS

Full time employees of Lafayette Council on Aging Inc., Woodvale Place Apartments and Belle Rose Gardens have the option to receive benefits in the form of a Roth IRA, health insurance and life insurance. The Council provides eligible employees with 8% of their salary to be used in any combination for their chosen benefits. In addition, eligible employees of Woodvale Place Apartments are grandfathered in to receive an additional 3% of these benefits. These employees do not receive life insurance benefits as they opted for an 11% fringe in lieu of life insurance. The Council pays a disability and life insurance policy only for Lafayette Council on Aging, Inc. full-time employees who receive only 8% level of benefits, to provide coverage up to one year of the employee's salary. No match or contributions are required by employees. For the year ended June 30, 2022, the Council incurred expenses for employee benefits in the amount of \$23,623.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

LAFAYETTE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 304,055	\$ 304,055	\$ 304,055	\$ -
Resources (inflows):				
Intergovernmental	410,000	422,163	422,573	410
Local and miscellaneous	75,000	131,395	132,856	1,461
Transfers in	<u>42,000</u>	<u>45,574</u>	<u>62,054</u>	<u>16,480</u>
Amounts available for appropriation	<u>831,055</u>	<u>903,187</u>	<u>921,538</u>	<u>18,351</u>
Charges to appropriations (outflows):				
Personnel	199,453	220,651	228,087	(7,436)
Fringe	241,006	25,471	26,479	(1,008)
Travel	4,600	8,155	8,454	(299)
Operating services	82,000	73,666	80,745	(7,079)
Operating supplies	16,500	32,277	37,241	(4,964)
Other costs	-	36,284	36,187	97
Capital outlay	-	-	-	-
Transfers out	<u>112,000</u>	<u>116,731</u>	<u>117,044</u>	<u>(313)</u>
Total charges to appropriations	<u>655,559</u>	<u>513,235</u>	<u>534,237</u>	<u>(21,002)</u>
Budgetary fund balance, June 30	<u>\$ 175,496</u>	<u>\$ 389,952</u>	<u>\$ 387,301</u>	<u>\$ (2,651)</u>

See notes to required supplementary information.

LAFAYETTE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	115,000	160,147	161,845	1,698
Program income	13,000	10,232	10,438	206
Transfers in	<u>90,000</u>	<u>58,803</u>	<u>58,013</u>	<u>(790)</u>
Amounts available for appropriation	<u>218,000</u>	<u>229,182</u>	<u>230,296</u>	<u>1,114</u>
Charges to appropriations (outflows):				
Personnel	148,240	154,516	154,846	(330)
Fringe	13,080	14,035	14,003	32
Travel	10,900	12,056	11,954	102
Operating services	37,060	39,321	40,030	(709)
Operating supplies	8,720	9,254	9,463	(209)
Other costs	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>218,000</u>	<u>229,182</u>	<u>230,296</u>	<u>(1,114)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

LAFAYETTE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	20,000	12,450	11,966	(484)
Program income	44,000	43,824	43,031	(793)
Local and miscellaneous	75,000	59,476	58,832	(644)
Transfers in	<u>115,000</u>	<u>150,076</u>	<u>158,020</u>	<u>7,944</u>
Amounts available for appropriation	<u>254,000</u>	<u>265,826</u>	<u>271,849</u>	<u>6,023</u>
Charges to appropriations (outflows):				
Personnel	157,480	166,027	169,984	(3,957)
Fringe	12,700	13,530	13,860	(330)
Travel	66,040	70,448	71,026	(578)
Operating services	15,240	14,199	15,028	(829)
Operating supplies	2,340	1,622	1,894	(272)
Other costs	200	-	57	(57)
Capital outlay	-	-	-	-
Total charges to appropriations	<u>254,000</u>	<u>265,826</u>	<u>271,849</u>	<u>(6,023)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

LAFAYETTE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
Foster Grandparents
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	325,000	212,896	235,407	22,511
Local and miscellaneous	-	-	-	-
Transfers in	4,000	4,468	5,721	1,253
Amounts available for appropriation	<u>329,000</u>	<u>217,364</u>	<u>241,128</u>	<u>23,764</u>
Charges to appropriations (outflows):				
Personnel	72,380	54,020	54,073	(53)
Fringe	6,580	5,268	5,278	(10)
Travel	13,160	8,875	12,072	(3,197)
Operating services	12,360	7,722	7,966	(244)
Operating supplies	800	880	1,337	(457)
Other costs	<u>223,720</u>	<u>140,599</u>	<u>160,402</u>	<u>(19,803)</u>
Total charges to appropriations	<u>329,000</u>	<u>217,364</u>	<u>241,128</u>	<u>(23,764)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

LAFAYETTE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Elderly Housing Management
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 25,277	\$ 25,277	\$ 25,277	\$ -
Resources (inflows):				
Local and miscellaneous	<u>225,000</u>	<u>213,831</u>	<u>217,603</u>	<u>3,772</u>
Amounts available for appropriation	<u>250,277</u>	<u>239,108</u>	<u>242,880</u>	<u>3,772</u>
Charges to appropriations (outflows):				
Personnel	54,675	48,774	48,778	(4)
Fringe	4,970	4,126	4,109	17
Travel	200	261	240	21
Operating services	7,456	5,940	6,052	(112)
Transfers out	<u>182,976</u>	<u>180,007</u>	<u>167,654</u>	<u>12,353</u>
Total charges to appropriations	<u>250,277</u>	<u>239,108</u>	<u>226,833</u>	<u>12,275</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,047</u>	<u>\$ 16,047</u>

See notes to required supplementary information.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

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

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on the revenue information provided by GOEA, grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director and Finance Director prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for compliance approval.
- Unused budgeted amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The "match" might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

LAFAYETTE COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2022

	Title III C-1	Title III E	Senior Olympics	Energy Assistance	Total
REVENUES					
Intergovernmental:					
Cajun Area Agency on Aging, Inc.	\$ 39,042	\$ 67,711	\$ -	\$ -	\$ 106,753
Local and miscellaneous:					
Municipalities	4,800				4,800
Energy assistance	-	-	-	15,000	15,000
Participant contributions	3,873	-	-	-	3,873
Miscellaneous	-	-	3,810	-	3,810
Total Revenues	<u>47,715</u>	<u>67,711</u>	<u>3,810</u>	<u>15,000</u>	<u>134,236</u>
EXPENDITURES					
Current:					
Personnel	37,076	47,217	3,542	-	87,835
Fringe	5,864	3,813	275	-	9,952
Travel	2,412	796	-	-	3,208
Operating services	6,149	4,570	3,305	5,209	19,233
Operating supplies	1,798	385	1,507	-	3,690
Other costs	43	-	1,374	-	1,417
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>53,342</u>	<u>56,781</u>	<u>10,003</u>	<u>5,209</u>	<u>125,335</u>
Deficiency of revenues over expenditures	<u>(5,627)</u>	<u>10,930</u>	<u>(6,193)</u>	<u>9,791</u>	<u>8,901</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of fixed assets	-	-	-	-	-
Transfers in	5,627	-	6,193	-	11,820
Transfers out	-	(10,930)	-	-	(10,930)
Total other financing sources and uses	<u>5,627</u>	<u>(10,930)</u>	<u>6,193</u>	<u>-</u>	<u>890</u>
Net increase (decrease) in fund balances	-	-	-	9,791	9,791
FUND BALANCES					
Beginning of the year	-	-	(1,938)	12,088	10,150
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,938)</u>	<u>\$ 21,879</u>	<u>\$ 19,941</u>

LAFAYETTE COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
And Changes In General Fixed Assets
Year Ended June 30, 2022

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
General fixed assets:				
Buildings	\$ 104,737	\$ -	\$ -	\$ 104,737
Leasehold improvements	35,047	-	-	35,047
Furniture and equipment	95,336	-	-	95,336
Vehicles	<u>170,950</u>	<u>-</u>	<u>-</u>	<u>170,950</u>
 Total general fixed assets	 <u>\$ 406,070</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 406,070</u>
Investment in general fixed assets:				
Local	286,895	-	-	286,895
Title III-B	1,403	-	-	1,403
Title III-C-1	1,192	-	-	1,192
Title III-C-2	521	-	-	521
Title III D	66,707	-	-	66,707
Senior Center	47,934	-	-	47,934
Title V	<u>1,418</u>	<u>-</u>	<u>-</u>	<u>1,418</u>
 Total investment in general fixed assets	 <u>\$ 406,070</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 406,070</u>

SUPPLEMENTAL INFORMATION REQUIRED BY USDA

LAFAYETTE COUNCIL ON AGING, INC.

Comparative Balance Sheets
 Governmental Funds
 Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
Assets		
Cash	\$ 316,864	\$ 258,112
Accounts receivable	56,567	28,447
Grants and contracts receivable	94,832	92,571
Due from other funds	873,016	550,788
Prepaid expenditures	<u>11,584</u>	<u>2,341</u>
 Total Assets	 <u>1,352,863</u>	 <u>932,259</u>
Liabilities		
Accounts payable	38,037	16,862
Accrued payroll and related benefits	51,078	55,039
Deferred revenue	440	975
Due to other funds	<u>840,019</u>	<u>519,901</u>
 Total Liabilities	 <u>929,574</u>	 <u>592,777</u>
Fund Balances		
Nonspendable		
Prepaid expenditures	11,584	2,341
Restricted for:		
Title III C-1	-	11,388
Title III E	10,930	8,841
Utility Assistance	21,879	12,088
Unassigned	<u>378,896</u>	<u>304,824</u>
 Total Fund Balances	 <u>423,289</u>	 <u>339,482</u>
 Total Liabilities and Fund Balances	 <u>\$1,352,863</u>	 <u>\$ 932,259</u>

LAFAYETTE COUNCIL ON AGING, INC.

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2022

REVENUES	2022	2021
Intergovernmental:		
Governor's Office of Elderly Affairs	\$ 329,073	\$ 308,623
Cajun Area Agency on Aging, Inc.	280,564	345,791
Corporation for National and Community Service	235,407	328,144
Department of Transportation and Development	93,500	38,169
Program Service Fees:		
Transportation	5,211	4,489
Homemaker	5,227	5,397
Congregate meals	3,873	-
Home delivered meals	43,031	46,498
Local and miscellaneous:		
Municipalities	68,974	12,197
Office rental	22,710	22,545
United givers	10,000	10,000
Foundation on Aging	-	45,000
Energy	15,000	15,000
Donations	57,549	43,410
Rental income	217,603	205,800
Fundraising	11,040	-
Miscellaneous	30,025	38,356
Total Revenues	1,428,787	1,469,419
EXPENDITURES		
Health, Welfare, & Social Services		
Current:		
Personnel	743,603	727,783
Fringe	73,681	87,515
Travel	106,954	96,101
Operating Services	169,054	143,547
Operating Supplies	53,625	22,335
Other Costs	198,063	284,053
Capital Outlay	-	1,708
Total Expenditures	1,344,980	1,363,042
Excess (deficiency) of revenues over expenditures	83,807	106,377
OTHER FINANCING SOURCES (USES)		
Proceeds from sale of fixed asset	-	400
Transfers in	295,628	320,886
Transfers out	(295,628)	(320,886)
Total other financing sources and uses	-	400
Net increase (decrease) in fund balances	83,807	106,777
FUND BALANCES		
Beginning of the year	339,482	232,705
End of the year	\$ 423,289	\$ 339,482

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY
THE UNIFORM GUIDANCE**

LAFAYETTE COUNCIL ON AGING, INC.
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTORS/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR ENDED</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>FEDERAL REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Health and Human Services - Administration on Aging</u>					
Passed through the Governor's Office of Elderly Affairs:					
Special Programs for the Aging :					
Aging Cluster-					
Title III, Part B - Supportive Services and Senior Centers	93.044	06/30/2022	\$ 123,002	\$ 123,002	\$ 123,002
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	06/30/2022	33,186	33,186	33,186
Title III, Part C-2 - Nutrition Services (Home-Delivered Meals)	93.045	06/30/2022	3,050	3,050	3,050
Title III, Part C-2 - Nutrition Services (Home-Delivered Meals) - CARES	93.045	06/30/2021	<u>26,250</u>	<u>6,210</u>	<u>6,210</u>
Total of Aging Cluster-			185,488	165,448	165,448
Title III, Part E - Caregiver Support	93.052	06/30/2022	50,416	50,416	50,416
Title III, Part E - Caregiver Support - CARES	93.052	06/30/2021	31,598	6,699	6,699
Special Programs for Aging - Vaccine Outreach	93.048	06/30/2022	<u>20,449</u>	<u>20,449</u>	<u>20,449</u>
Totals for U.S. Department of Health and Human Services - Administration on Aging			<u>287,951</u>	<u>243,012</u>	<u>243,012</u>
<u>Department of Transportation</u>					
Passed through the Louisiana Department of Transportation & Development:					
Enhanced Mobility of Seniors and Individuals with Disabilities (Operating Assistance Program)	20.513	06/30/2022	<u>164,479</u>	<u>93,297</u>	<u>93,297</u>
Total for Department of Transportation			<u>164,479</u>	<u>93,297</u>	<u>93,297</u>
<u>Corporation for National and Community Service</u>					
Foster Grandparents Program	94.011	06/30/2022	<u>367,353</u>	<u>235,407</u>	<u>235,407</u>
Totals for Corporation for National Service			<u>367,353</u>	<u>235,407</u>	<u>235,407</u>
<u>U.S. Department of Housing and Urban Development</u>					
Section 8 - Housing Assistance Payments					
Program - Special Allocations	14.195	06/30/2022	407,386	407,386	407,386
Community Development Block Grant	14.218	06/30/2022	<u>75,000</u>	<u>32,726</u>	<u>32,726</u>
Totals for U.S. Department of Housing and Urban Development			<u>482,386</u>	<u>440,112</u>	<u>440,112</u>
Total federal grants			<u>\$ 1,302,169</u>	<u>\$ 1,011,828</u>	<u>\$ 1,011,828</u>

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards include the federal grant activity of the Lafayette Council on Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund financial statements. The information in this schedule is presented in accordance with the requirements of the OMB Uniform *Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented, or used in the presentation of, the financial statements of, the financial statements.

Note B - Subrecipients - The Lafayette Council on Aging did not pass-through any of its federal awards to a sub-recipient during the fiscal year.

Note C - Indirect Cost Rate - The Council has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



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
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Lafayette Council on Aging, Inc.'s basic financial statements and have issued our report thereon dated October 11, 2022.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Lafayette Council on Aging, Inc.'s Response to Findings

Government Auditing Standards require the auditor to perform limited procedures on Lafayette Council on Aging, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

October 11, 2022



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
Lafayette Council On Aging, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lafayette Council on Aging, 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 the Council's major federal program for the year ended June 30, 2022. The Council's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a 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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
October 11, 2022

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Lafayette Council On Aging, Inc.'s financial statements as of and for the year ended June 30, 2022.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

There were three material weakness in internal control over financial reporting disclosed during the audit of the financial statements and are shown as items 2022-001, 2022-002, and 2022-003 in Part II below.

Material Noncompliance - Financial Reporting

No instances of material noncompliance were noted during the audit of the financial statements.

FEDERAL AWARDS

Major Program Identification

The Lafayette Council On Aging, Inc., for the year ended June 30, 2022, had one major program: Foster Grandparents Program, which received funds from the Corporation for National and Community.

Low-Risk Auditee

The Lafayette Council On Aging, Inc. is considered a low-risk auditee for the year ended June 30, 2022.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended June 30, 2022.

Auditor's Report - Major Program

An unmodified opinion has been issued on the Lafayette Council On Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2022.

Control and Significant Deficiencies and Material Weaknesses - Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Part I Summary of Auditor's Results (Continued)

Compliance Finding Related to Major Program

The audit disclosed no instances of material noncompliance during the audit of major federal programs.

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2022-001 Reconciliation of Interfund Activity

Condition:

The Council failed to properly record interfund activity throughout the year.

Criteria:

To ensure the accuracy of financial reporting, interfund activity should be recorded through the use of transfers and due to/due from accounts.

Cause:

The Council did not properly use interfund accounts to record interfund activity.

Effect:

Failure to perform these accounting functions hinders accurate financial statements. In addition, it creates a greater risk of errors and fraud.

Recommendation:

We recommend the Council seek assistance from its accounting software provider to ensure the software is fully integrated for the functions of fund accounting. In addition, the Council should implement a process to closely monitor the recording and reconciliations involved in day-to-day accounting functions.

2022-002 Reconciliation of Tenant Security Deposits

Condition:

Tenant security deposits are not being reconciled on a monthly basis.

Criteria:

Tenant security deposits collected should be deposited into the security deposit bank account and recorded to the general ledger as a security deposit liability. While tenant security deposit forfeitures should be transferred to the operating account and recorded as a forfeiture in the general ledger.

Cause:

Tenant security deposits are not being reconciled on a monthly basis. As a result, errors in the record keeping and reconciling of tenant security deposits have occurred.

Effect:

Ineffective controls over record keeping and recording of security deposits impose an increased risk of inaccurate reporting and misappropriation.

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards* (continued)

Recommendation:

Controls over record keeping and recording of tenant security deposits should be strengthened with an increased emphasis on reconciling security deposit accounts to supporting documentation on a monthly basis.

2022-003 Reconciliation of Tenant Rental Receipts

Condition:

Tenant rental receipts are not being issued pre-numbered receipts and reconciled monthly.

Criteria:

Tenant rental receipts collected should be recorded using a pre-numbered receipt book and reconciled monthly to bank deposits.

Cause:

Tenant rental receipts were collected; however, were not issued a pre-numbered receipt.

Effect:

Ineffective controls over collections impose a heightened risk of misappropriation.

Recommendation:

Controls over collections should be strengthened with an increased emphasis on issuing receipts and reconciling tenant rental receipts on a monthly basis to ensure all revenue collected is properly deposited and recorded in the general ledger.

Part III Findings and Questioned Costs Relating to the Federal Programs

The audit did not disclose any material noncompliance or questioned costs relative to its federal programs.

Part IV Management Letter

The auditor did not issue a management letter this year.

LAFAYETTE COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2022

2021-001 **Budget Variances**

Finding:

The Council failed to adequately amend the budget at the end of fiscal year June 30, 2021.

Status:

This finding has been resolved.

2021-002 **Reconciliation of Interfund Activity**

Finding:

The Council failed to properly record interfund activity throughout the year.

Status:

Unresolved; see current year finding 2022-001.

LAFAYETTE COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2022

Response to Findings:

2022-001 Reconciliation of Interfund Activity

The Council will correct these issues and implement procedures to monitor the process of accounting functions.

2022-002 Reconciliation of Tenant Security Deposits

The Council will strengthen controls over record keeping and recording of tenant security deposits, with an increased emphasis on reconciling security deposit accounts to supporting documentation on a monthly basis.

2022-003 Reconciliation of Tenant Rental Receipts

The Council will record all tenant rental collections into pre-numbered receipt books and will be reconciled on a monthly basis to ensure all revenue collected is properly deposited and recorded in the general ledger.



OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Lafayette Council on Aging, Inc. (the "Council") 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, 2021 through June 30, 2022. The Council's management is responsible for those C/C areas identified in the SAUPs.

The Council has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and do address the functions noted above.

b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

This section is not applicable. The Council is a non-profit entity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
Obtained and inspected minutes of the board for the fiscal period noting that the board met at least quarterly in accordance with the Council's policy.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
The Council reports on the nonprofit accounting model. Observed that the minutes referenced financial activity relating to public funds.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
This section is not applicable. The Council is a non-profit entity.

Bank Reconciliations

3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Reconciling items that have been outstanding for more than 12 months from the statement closing date were noted and did not include documentation that a member of management researched those reconciling items; however, those checks were immaterial.

Collections (excluding electronic funds transfers)

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

Obtained a listing of deposit sites for the fiscal period, and management provided representation that the listing is complete. Selected all deposit sites as there were less than 5.

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

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

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

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

Employees responsible for collecting cash are responsible for preparing/making bank deposits, however another employee is responsible for reconciling collection documentation to the deposit.

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

Employees responsible for collecting cash are responsible for posting collection entries to the general ledger, however another employee is responsible for reconciling ledger postings to each other and to the deposit.

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

Employees responsible for reconciling cash collections to the general ledger are not responsible for collecting cash.

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

Employees who have access to cash are covered by an insurance policy for theft.

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

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

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

Observed that receipts for housing rental payments for Belle Rose Gardens are not sequentially pre-numbered.

Observed that receipts for housing rental payments for Woodvale are only being prepared as requested.

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

Traced supporting documentation to the deposit slip noting no exceptions.

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

Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.

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

Observed that the deposits were made within one business day of receipt at the collection location.

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

Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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

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

Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.

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

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

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

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

Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables included on the invoice were received by the entity.
Observed that the disbursements matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the Council.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.
Observed that the disbursement documentation included evidence of segregation of duties tested.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
Obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards for the fiscal period and the numbers and names of persons who maintained possession of cards, and management provided representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
Observed that there was evidence that the monthly statement and supporting documentation was reviewed and approved, in writing by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
Observed that there were no finance charges or late fees assessed on the selected statements.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Observed that all transactions tested were supported by an original itemized receipt that identifies precisely what was purchased and written documentation of the business/public purpose. There were no meal charges tested.

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

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

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

Observed that approved reimbursement rates were no more than those established by the State of Louisiana or the U.S. General Services Administration.

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

Not applicable as all travel and travel-related reimbursements tested were reimbursed at a per diem rate and not actual costs.

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

Observed that each reimbursement is supported by documentation of the business/public purpose and other documentation required by written policy.

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

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

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period.

Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

Observed that the contracts were not required to be bid in accordance with Louisiana Public Bid Law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law.

Observed that the contracts were approved by the board.

- c) 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 was approval documented).

There were no contracts amended.

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

Randomly selected one payment from each of the contracts, and observed that the invoice and payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation that the listing is complete. Randomly selected 5 employees, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

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

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

Observed that all selected employees documented their daily attendance and leave.

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

Observed that supervisors approved the attendance and leave of the selected employees and officials.

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

No leave was accrued or taken during the pay period tested.

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

Observed that the rate paid to the employees and officials agree to the authorized salary/pay rate found within the personnel file.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Obtained a listing of employees that received termination payments during the fiscal period, and management provided representation that the listing is complete. Selected one employee as there was only one that received termination payments during the fiscal period. Agreed the hours paid to the employee's cumulative leave records, pay rates to the employee's authorized pay rates, and termination payments to entity policy.

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

Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

Ethics

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

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

The five employees selected for testing did have documentation to demonstrate that the required ethics training was completed.

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

No changes were made to the entity's ethics policy during the fiscal year.

Debt Service

This section is not applicable. Management asserted that the Council did not have any bond/notes and other debt instruments issued during the fiscal period or outstanding at the end of the fiscal period.

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing,

obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree 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).

Fraud Notice

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

Management asserted that there were no misappropriations of public funds and assets during the fiscal period.

24. 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.

Observed that the Council has posted on its premises and website the required notice.

Information Technology Disaster Recovery/Business Continuity

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

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

We performed the procedure and discussed the results with management.

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

We performed the procedure and discussed the results with management.

- c) Obtain a listing of the entity's computers currently in use, and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

Sexual Harassment

This section is not applicable. The Council is a non-profit entity.

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. 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).
28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;
 - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - e) Amount of time it took to resolve each complaint.

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

We are required to be independent of the Council and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 11, 2022



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October 18, 2022

Darnell, Sikes & Frederick
A Corporation of Certified Public Accountants
Eunice, Louisiana

The following is management's response to the 2022 AUP report submitted for the Board of Directors of Lafayette Council on Aging, Inc.

Bank Reconciliations

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

Response: A member or management/board member who does not handle cash, post ledgers, or issue checks will review each bank reconciliation.

3. c) Bank reconciliations include reconciling items that have been outstanding for more than 12 months.

Response: A member or management/board member will review reconciling items and document it has researched reconciling items that have been outstanding for more than 12 months.

Collections

7. a) Observed that receipts are not sequentially pre-numbered.

Response: Pre-numbered receipts will be issued for all collections relating to housing rental payments.

Please advise if additional information is needed to satisfy the findings identified in the audit.

Sincerely,

LaKisha L. Varner
Executive Director