

FINANCIAL REPORT

**ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA**

June 30, 2019

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

FINANCIAL REPORT

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DONALDSONVILLE, LOUISIANA**

June 30, 2019

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Donaldsonville, Louisiana

June 30, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Ascension Council on Aging, Inc.

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

Funding sources for the COA remain stable with the 2013 10 year renewal of the 1.5% Parish millage tax. This millage tax has helped to decrease waiting lists for core services such as meals and transportation.

Fiscal year 2019 ended with decreases in some services and increases in others. The Senior Centers are busier with new clients enrolling weekly. Congregate and Home Delivered Meals increased as did Transportation. Homemaker and Caregiver support services decreased.

Our mission since 1972 is to provide directly or coordinate the full range of services available through State and Federal Agencies to the elderly of Ascension Parish and to create an atmosphere of respect for human life and affirm the dignity and self-worth of the older adult by providing a richer and more comfortable life and assisting them in remaining self-sufficient.

FINANCIAL HIGHLIGHTS

The Council's assets exceeded its liabilities at the close of fiscal year 2019 by \$4,205,847 (net assets) which represents a 10% increase from last fiscal year.

Cash and investments were \$3,124,307 at June 30, 2019 compared to \$2,802,896 at June 30, 2018. This is an increase of \$321,411.

The Council's revenue increased \$247,172 (or 10%). Property tax collections increased by \$139,875 and Inter-governmental revenue increased by \$2,023. Grant income increased by \$99,378. Participant contributions decreased (\$901), miscellaneous income increased \$14,541.

The Council's expenditures increased \$238,254 (or 11.6%). Salaries and fringe benefits increased \$41,412; capital outlay increased by \$149,299. Operating services and supplies increased \$61,691 and other costs decreased (\$32,579). Meal expenditures increased \$17,231.

As a result of subtracting total expenditures from total revenue, the Council's net assets increased by \$385,781 this fiscal year.

SERVICE HIGHLIGHTS

Congregate meals showed an increase in the number of meals served again this year. Home Delivered meals increased this year with a new route in Gonzales. There is a waiting list of 46 people. Homemaker units have decreased with a waiting list of 148 people. Personal Care Attendant (PCA) units have decreased with another 32 clients waiting for the service.

Transportation service to elderly and handicapped riders showed an 8% increase this year. Ridership on the west and east bank of the parish continues at a steady pace.

During this fiscal year, 1,849 Ascension parish senior citizens received one or more services from the Ascension Council on Aging. Major services are meals and transportation.

Transportation

Transportation units of service were provided as follows:

	Passenger Trips	Passenger Miles	Vehicle Miles
III-B	31,279		83,843
Disabled	1,949		5,409
Escorts	395		902
Total	<u>33,623</u>	<u>-</u>	<u>90,154</u>
Last Year	30,910		84,615

In addition, meal vans traveled approximately 54,316 miles for the “meals on wheels program”.

Meals

Meals served totaled 147,692 in 2019 vs 139,648 in 2018. Home delivered meals are based on 365 serving days a year. Congregate meals are based on 250 serving days a year.

Home Delivered Meals
Meals – 118,284 Last Year – 113,274
People Served – 608

Congregate Meals
Meals – 29,408 Last Year – 26,374
People Served – 555

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

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

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

Fund Financial Statements

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

Governmental Funds

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

changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. (Exhibit D and E)

The Council has presented the General Fund, Title III B – Supportive Services Fund, Title III C-1- Congregate Meals Fund, Title III C-2 – Home Delivered Meals Fund, Millage Fund and Senior Center Fund as major funds. (Exhibit C & D) All non-major governmental funds are presented in one column, titled “Total Non-Major Funds”. Combining financial statements of the non-major funds can be found in the Combining Fund Statements that follow the basic financial statements (Page 35).

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 28 to 33). In addition to these required elements, the Council has a section of supplementary information. The Governor’s Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Page 35 and 36).

The Office of Management and Budget (OMB) through its Circular A-133 requires a Schedule of Expenditures of Federal Awards. This schedule will present required information about the Council’s federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money. (Page 38)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the Council’s financial position. As of June 30, 2019, assets exceeded liabilities by \$4,205,847. A large portion of the Council’s net assets (74 %) reflects its cash and investment in certificates of deposit. The Council has strong liquidity.

Special Revenue Fund Budgetary Highlights

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

Required supplementary information budgetary comparisons schedules were prepared for the General Fund and each major Special Revenue Fund (Pages 28 to 33).

CAPITAL ASSETS

The Council's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$1,001,814 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery and equipment (see table below).

	<u>2019</u>	<u>2018</u>
Office furniture, fixtures and equipment	\$ 121,732	\$ 119,878
Building Improvements	817,677	796,747
Vehicles	529,997	386,586
	<hr/>	<hr/>
Sub Total	1,469,406	1,303,211
Less accumulated depreciation	(467,592)	(402,243)
	<hr/>	<hr/>
Capital Assets, Net	<u>\$ 1,001,814</u>	<u>\$ 900,968</u>

Major capital asset events during the current fiscal year included the following:

Received a matching grant for 3 new vans, bought 1 new van, bought a new freezer and plumbing Improvements. Donated 3 old vans.

Additional information on the Council's capital assets can be found in the Note 8, Exhibit F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

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

- Actual expenditures from previous fiscal year in relation to expected needs in the current year.
- Consideration of funding to be received from GOEA.
- The Ad Valorem Tax Revenue budgeted represents the estimated amount of the November 2019 assessment, which the Council will receive, for the most part, in March 2020.
- Interest revenues have been budgeted with anticipation of no increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates in accordance with state Travel regulations.
- Services the Council will provide along with estimated service costs.
- Estimate of operation supplies needed to perform necessary services.
- Detail plan of equipment and vehicles needed to be purchased.

Condensed Statement of Net Assets

	June 30,		Dollar Change
	2019	2018	
Current and other assets	\$ 3,253,671	\$ 2,964,190	\$ 289,481
Capital assets	1,001,814	900,968	100,846
Total assets	4,255,485	3,865,158	\$ 390,327
Short-term liabilities outstanding	15,383	3,009	12,374
Other liabilities	45,105	42,083	3,022
Total liabilities	60,488	45,092	15,396
Net Assets:			
Invested in capital assets, net	1,001,814	900,968	100,846
Restricted	2,506,970	2,229,664	277,306
Unrestricted	697,063	689,434	7,629
Total net assets	\$ 4,205,847	\$ 3,820,066	\$ 385,781

Governmental Activities

Governmental activities increased the Council net assets by \$385,781. Key elements of this increase are as follows:

	June 30,		Dollar Change	Total Percent Change
	<u>2019</u>	<u>2018</u>		
Revenues:				
Program revenues:				
Capital grants and contributions	\$ 146,058	\$ 46,680	\$ -	
Operating grants and contributions	249,339	252,124	(2,785)	9.33%
General revenues:				
Property taxes	1,910,129	1,770,254	139,875	0.68%
Grants and contributions not restricted	37,500	37,500	-	0.0%
Unrestricted investment earnings	7,710	2,523	5,187	-42.0%
Miscellaneous	26,416	13,155	13,261	-94.0%
Total revenues	<u>2,377,152</u>	<u>2,122,236</u>	<u>155,538</u>	<u>14.00%</u>
Expenses:				
Health and welfare	1,991,371	1,838,389	152,982	4.4%
Total expenses	<u>1,991,371</u>	<u>1,838,389</u>	<u>152,982</u>	
Increase (decrease) in net assets	385,781	283,847	101,934	
Net assets beginning of year	3,820,066	3,536,219	283,847	
Net assets end of year	<u>\$ 4,205,847</u>	<u>\$ 3,820,066</u>	<u>\$ 385,781</u>	<u>2.8%</u>

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$3,249,138 an increase of \$287,957 in comparison with the prior year. An unreserved fund balance of \$742,168 is available for spending at the Council's discretion. The remainder of fund balance is

reserved to indicate that it is not available for new spending because it has already been committed. This is reflected on Page 16.

The General Fund is the chief operating fund of the Council. At the end of the current fiscal year, unreserved fund balance of the general fund was \$742,168, while total fund balance reached \$3,249,138 (Page 17). As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balances and total fund expenditures. The fund balance of the Council's General Fund increased by \$10,651 during the current fiscal year. (Page 17)

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

REQUEST FOR INFORMATION

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

Board of Directors
C/O Darlene Schexnayder , Executive Director
Ascension Council on Aging, Inc.
P.O. Box 412
Donaldsonville, Louisiana.70346
Phone (225) 473-3789

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Ascension Council on Aging
Donaldsonville, LA 70346

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 1 through 9) and budgetary comparison information (pages 28 through 33) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, I have also issued my report dated October 21, 2019 on my consideration of the Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Baton Rouge, Louisiana,
October 21, 2019


Michael R. Choate & Company, CPAs

GOVERNMENT WIDE FINANCIAL STATEMENTS

GOVERNMENT WIDE STATEMENT OF NET POSITION

ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA

June 30, 2019

	Governmental Activities
Assets	
Cash	\$ 147,079
Investments	2,977,228
Grants and contracts receivable	10,850
Prepaid expenses:	
Insurance	129,364
Capital assets, net of accumulated depreciation	<u>1,001,814</u>
 Total Assets	 <u><u>\$ 4,266,335</u></u>
Liabilities	
Accounts payable	\$ 7,572
Payroll liabilities	7,811
Accrued compensated absences	<u>45,105</u>
 Total Liabilities	 <u>60,488</u>
Net Position	
Invested in Capital Assets	1,001,814
Restricted for:	
Utility Assistance	(217)
MIPPA	3,260
Title III E	525
Millage	2,503,402
Unrestricted	<u>697,063</u>
 Total Net Position	 <u><u>\$ 4,205,847</u></u>

The accompanying notes are an integral part of this statement.

**GOVERNMENT WIDE STATEMENT OF ACTIVITIES
ASCENSION COUNCIL ON AGING
DONALDSONVILLE, LOUISIANA**

For the year ended June 30, 2019

	Program Revenues				Net (Expense) Revenue and Increases (Decreases) in Net Assets	
Functions / Programs	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities						
Health, Welfare & Social Services						
Supportive Services:	\$ 667,523	\$ 281,395	\$ -	\$ 216,491	\$ -	(732,427)
Personal Care	-	-	-	-	-	-
Other Services	-	-	-	-	-	-
Homemaker	-	-	-	-	-	-
Information and Assistance	-	-	-	-	-	-
Legal Assistance	-	-	-	-	-	-
Outreach	-	-	-	-	-	-
Transportation	-	-	-	-	146,058	146,058
Nutrition Services:						
Congregate Meals	88,474	34,217	-	48,923	-	(73,768)
Home Delivered Meals	452,576	142,278	-	92,774	-	(502,080)
Utility Assistance	31,841	-	-	-	-	(31,841)
National Family Caregiver Support	1,800	1,840	-	4,165	-	525
Multipurpose Senior Centers	-	109,000	-	92,316	-	(16,684)
Administration	173,375	213,582	-	5,490	-	(381,467)
Total governmental activities	\$ 1,415,589	\$ 782,312	\$ -	\$ 460,159	\$ 146,058	\$ (1,591,684)
General Revenues:						
Ad Valorem Taxes						1,910,129
Grants and contributions not restricted to specific programs						37,500
Unrestricted Investment Income						7,710
Miscellaneous						22,126
Total general revenues						1,977,465
Increase in net position						385,781
Net position - beginning of the year						3,820,066
Net position - end of the year						\$ 4,205,847

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Balance Sheet
Governmental Funds
Ascension Council on Aging, Inc.

June 30, 2019

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Senior Center	Total Non Major Funds	Total Governmental Funds
Assets								
Cash	\$ 145,097	\$ -	\$ (3,550)	\$ (3,493)	\$ 6,357	\$ -	\$ 2,668	147,079
Investments	594,351	2,382,877	-	-	-	-	-	2,977,228
Grants and Contracts Receivable	2,720	-	3,550	3,493	187	-	900	10,850
Prepaid Insurance	-	129,364	-	-	-	-	-	129,364
Total Assets	\$ 742,168	\$ 2,512,241	\$ -	\$ -	\$ 6,544	\$ -	\$ 3,568	\$ 3,264,521
Liabilities and Fund Balance								
Liabilities								
Payroll liabilities	-	7,811	-	-	-	-	-	7,811
Accounts Payable	-	1,028	-	-	6,544	-	-	7,572
Total Liabilities	-	8,839	-	-	6,544	-	-	15,383
Fund Balances								
Reserved For:								
Prepaid Expenditures	-	129,364	-	-	-	-	-	129,364
Unassigned:								
General Fund	742,168	-	-	-	-	-	-	742,168
Restricted:								
Special Revenue Fund	-	2,374,038	-	-	-	-	3,568	2,377,606
Total Fund Balances	742,168	2,503,402	-	-	-	-	3,568	3,249,138
Total Liabilities and Fund Balances	\$ 742,168	\$ 2,512,241	\$ -	\$ -	\$ 6,544	\$ -	\$ 3,568	

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

Compensated absences are not paid for out of current financial resources and therefore are not reported funds	(45,105)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	1,001,814
Net position of Governmental Activities	\$ 4,205,847

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Ascension Council on Aging, Inc.
Baton Rouge, LA

For the Year Ended June 30, 2019

	General Fund	Millage	Title III B	Title III C-1	Title III C-2	Senior Center	Total Non-Major Funds	Total Governmental Funds
REVENUES								
Advalorem Taxes	\$ -	\$ 1,910,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,910,129
Intergovernmental								
Capital Area Agency on Aging	-	-	63,447	20,515	27,065	-	2,325	113,352
Department of Transportation - Grant	-	146,058	-	-	-	-	-	146,058
Governor's Office of Elderly Affairs	37,500	-	-	-	-	92,316	4,300	134,116
Public Support								
Contributions-other restricted	-	-	14,523	-	-	-	-	14,523
Participant Contributions	-	1,190	3,705	10,592	9,361	-	-	24,848
Investment Income	7,710	-	-	-	-	-	-	7,710
Miscellaneous	2,941	19,185	4,290	-	-	-	-	26,416
Inkind Contributions	-	-	130,526	17,816	56,348	-	1,840	206,530
Total Revenues	48,151	2,076,562	216,491	48,923	92,774	92,316	8,465	2,583,682
EXPENDITURES								
Health, Welfare, & Social Services								
Current:								
Personnel	-	134,775	519,897	86,246	157,971	-	1,607	900,496
Fringe	-	39,185	145,126	16,605	28,075	-	193	229,184
Travel	-	8,120	10,559	81	431	-	-	19,191
Operating Services	-	50,248	91,985	433	23,378	75,998	-	242,042
Operating Supplies	-	8,824	38,440	591	11,881	23,899	-	83,635
Other Costs	-	26,631	12,385	919	5,494	9,103	-	54,532
Meals	-	46,203	-	-	265,073	-	-	311,276
Utility Assistance	-	31,841	-	-	-	-	-	31,841
Capital Outlay	-	216,998	-	-	-	-	-	216,998
Inkind	-	-	130,526	17,816	56,348	-	1,840	206,530
Total Expenditures	-	562,825	948,918	122,691	548,651	109,000	3,640	2,295,725
Excess (deficiency) of Revenues over Expenditures	48,151	1,513,737	(732,427)	(73,768)	(455,877)	(16,684)	4,825	287,957
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	732,427	73,768	455,877	16,684	-	1,278,756
Transfers Out	(37,500)	(1,238,156)	-	-	-	-	(3,100)	(1,278,756)
Total other Financing Sources and Uses	(37,500)	(1,238,156)	732,427	73,768	455,877	16,684	(3,100)	-
Net Increase (Decrease) in Fund Balances	10,651	275,581	-	-	-	-	1,725	287,957
FUND BALANCES								
Beginning of the Year	731,517	2,227,821	-	-	-	-	1,843	2,961,181
End of the Year	\$ 742,168	\$ 2,503,402	\$ -	\$ -	\$ -	\$ -	\$ 3,568	\$ 3,249,138

The accompanying notes are an integral part of this statement.

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

Year Ended June 30, 2019

Net Increase in fund balances – total governmental funds \$ 287,957

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 capital outlays (\$216,998_) is less than depreciation expense (\$104,279_). 112,719

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:

Loss on vehicle	(11,873)
Compensated absences	<u>(3,022)</u>

Increase of net position of governmental activities \$ 385,781

NOTES TO FINANCIAL STATEMENTS
Ascension Council on Aging, Inc.
Donaldsonville, Louisiana

June 30, 2019

Note 1 - Summary Of Significant Accounting Policies

a. Statement of Presentation:

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

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

b. Fund Accounting:

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

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

Governmental Fund types

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

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

Note 1 - Summary Of Significant Accounting Policies (continued)

Governmental Fund (continued):

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council’s special revenue funds are provided by GOEA.

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

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

Major Special Revenue Funds

A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category type.

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as transportation (31,279) information and assistance (1,542), material aid (1,558) homemaker services (9,558), recreation (23,342) utility assistance (271), telephoning (8,007), and outreach (75) to people age 60 and older. Total units of service were 97,820.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. The Council served 29,408 meals this year.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. The Council delivered 118,284 meals this year.

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor’s Office of Elderly Affairs, which in turn “passes through” the funds to the Council. This program provides community service centers at

which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Millage Fund

The Millage Fund is used to account for the revenue received from the Ascension Parish property tax. These funds significantly finance the Council's budget and activities.

Non Major Special Revenue Funds

Title III-E Fund

The Title III-E Fund is used to account for funds which are used to provide continuing education services and information to assist individuals to acquire knowledge about services and/or care giving role and needs.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Ascension Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

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

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

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

Capital Assets

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

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

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

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

c. Transfers:

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

d. Budget Policy:

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

e. Compensated Absences:

For government wide financial statements, the Council's liability for accumulated unpaid vacation has been recorded. The liability has been determined using the number of vested vacation hours for each employee multiplied by the employee's current wage rate at the end of the year. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

f. Management's Use of Estimates:

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

g. Revenue Recognition

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting. Revenues are recorded in the Fund Financial Statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 2 - Board of Director's Compensation

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

Note 3 - In Kind Financial Assistance

The Council receives financial assistance from several local governments in the form of part time manpower, volunteers, vehicles, facilities and certain related operating expenses at no charge. Amounts related to this assistance are recorded in these financial statements as In Kind contributions and expenditures.

The total for the year June 30, 2019 was \$206,530.

Note 4 - Economic Dependency

The Council receives a portion of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs, Louisiana Department of Social Services and the Capital Area Agency on Aging-District II, Inc. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year. Also see Note 6.

Note 5- Transfers

	<u>Transfers Out</u>	<u>Transfers In</u>
<u>SPECIAL REVENUE FUNDS</u>		
Supplemental Senior Center	\$ 3,100	\$ -
Title III B		
Ascension Millage	-	691,827
Supplemental Senior Center	-	3,100
General Fund	-	37,500
Title III C-1		
Ascension Millage	-	73,768
Title III C-2		
Ascension Millage	-	455,877
Ascension Millage		
Title III B	691,827	-
Title III C-1	73,768	-
Title III C-2	455,877	-
Senior Center	16,684	-
Title III E	-	-
Senior Center		
Ascension Millage	-	16,684
III E		
	-	-
<u>GENERAL FUND</u>		
Title III B	37,500	-
Total	<u>\$ 1,278,756</u>	<u>\$ 1,278,756</u>

Note 6 – Property Taxes

Parish Ad valorem taxes are levied on real property in Ascension Parish each year to finance the budget of the Council. Taxes are billed and collected by the Parish of Ascension.

The Parish of Ascension has established separate accounts for the Council on Aging. The activity of the Parish of Ascension/Council on Aging account for the year ended June 30, 2019 includes collection of the ad valorem tax, interest income and the payment of state retirement contributions and a Parish administration fee. The 10 year tax is scheduled to expire December 31, 2023.

Note 7 - General Fixed Assets

The changes in fixed assets are as follows:

	Balance 6/30/2018	Additions	Deletions	Balance 6/30/2019
Furniture & Equipment	\$ 119,878	\$ 3,244	\$ (1,390)	\$ 121,732
Building Improvements	796,747	20,930	-	817,677
Vehicles	386,586	192,824	(49,413)	529,997
	\$ 1,303,211	\$ 216,998	\$ (50,803)	\$ 1,469,406

Note 8 - Deposits With Financial Institutions

At June 30, 2019, The Council had bank balances totaling \$3,124,307. Bank balances totaling \$250,000 are insured by federal deposit insurance while deposits of \$2,874,307 are collateralized by securities held by the depository bank in the Council's name. This is considered a "Category 1" credit risk in accordance with GASB Statement 3.

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

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

Note 9 – Grants & Accounts Receivable

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

<u>Special Revenue</u>	
Title III B	\$ 3,550
Title III C-1	3,493
Title III C-2	187
Title III E	900
<u>General Fund</u>	<u>2,720</u>
Total	<u>\$ 10,850</u>

Note 10 – 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.

Income Tax Status- Ascension Council on Aging, Inc. is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization other than a private foundation. The Council, therefore, is not subject to income taxes. However, income from activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income. The Council had no such income for the year ended June 30, 2019.

On June 30, 2012, the Council adopted the provisions of the Accounting for Uncertainty in Income Taxes Topic of the FASB ASC, which clarifies the accounting and recognition for income tax positions taken or expected to be taken in the Council's income tax returns. Management evaluated the Council's tax positions and concluded that the Council had taken no uncertain tax positions that required adjustments to the financial statements to comply with the provisions of this guidance. Ascension Council on Aging, Inc. is no longer subject to income tax examinations by the U.S. federal, state, or local tax authorities for tax years prior to June 30, 2016.

Note 11- Retirement Plan

The Council provides a retirement plan to its employees. The plan is a defined contribution plan. Total contributions for the year ended June 30, 2019 were \$29,729 and total plan assets were \$364,334.

Note 12 – Subsequent Events.

Management has analyzed subsequent events thru October 21, 2019 the date these financial statements were first made available for distribution. Nothing was deemed necessary for further disclosures.

SUPPLEMENTARY FINANCIAL INFORMATION

Required by GASB 34

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

**ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging, Inc.	-	-	-	-
Governor's Office of Elderly Affairs	37,500	37,500	37,500	-
Other:				
Miscellaneous	-	-	2,941	2,941
Contributions	-	-	-	-
Investment Income	-	-	7,710	7,710
Contributions in Kind	-	-	-	-
Total Revenues	<u>37,500</u>	<u>37,500</u>	<u>48,151</u>	<u>10,651</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	-	-	-
Operating services and supplies	-	-	-	-
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	37,500	37,500	48,151	10,651
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(37,500)	(37,500)	(37,500)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,651</u>	<u>\$ 10,651</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - TITLE III-B
ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging, Inc.	63,447	63,447	63,447	-
State of Louisiana	-	-	-	-
Other:				
Miscellaneous	-	-	4,290	4,290
Contributions - participants	15,000	15,000	3,705	(11,295)
Contributions - restricted	-	-	14,523	14,523
Contributions in Kind	130,526	130,526	130,526	-
Total Revenues	<u>208,973</u>	<u>208,973</u>	<u>216,491</u>	<u>7,518</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	130,526	130,526	130,526	-
Personnel	541,631	518,620	519,897	(1,277)
Fringe	149,650	143,940	145,126	(1,186)
Travel	11,860	11,860	10,559	1,301
Operating services	136,272	136,272	91,985	44,287
Operating supplies	45,911	45,911	38,440	7,471
Capital outlay	-	-	-	-
Other	15,080	13,739	12,385	1,354
Total Expenditures	<u>1,030,930</u>	<u>1,000,868</u>	<u>948,918</u>	<u>51,950</u>
Excess of Revenues over (under) Expenditures	(821,957)	(791,895)	(732,427)	59,468
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	821,957	791,895	732,427	(59,468)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
 BUDGET (GAAP BASIS) AND ACTUAL
 SPECIAL REVENUE FUND - TITLE III C-1
 ASCENSION COUNCIL ON AGING, INC.
 DONALDSONVILLE, LOUISIANA
 FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging, Inc.	20,515	20,515	20,515	-
State of Louisiana				-
Other:				
Miscellaneous				-
Contributions	7,500	7,500	10,592	3,092
Contributions in Kind	17,816	17,816	17,816	-
Total Revenues	<u>45,831</u>	<u>45,831</u>	<u>48,923</u>	<u>3,092</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	17,816	17,816	17,816	-
Personnel	86,733	86,733	86,246	487
Fringe	16,917	16,918	16,605	313
Travel	420	420	81	339
Operating services	609	609	433	176
Operating supplies	614	692	591	101
Meals				-
Travel				-
Capital outlay				-
Utility assistance				-
Other	910	910	919	(9)
Total Expenditures	<u>124,019</u>	<u>124,098</u>	<u>122,691</u>	<u>1,407</u>
Excess of Revenues over (under) Expenditures	(78,188)	(78,267)	(73,768)	4,499
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	78,188	78,267	73,768	(4,499)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019**

REVENUES	BUDGETS		ACTUAL	FAVORABLE (UNFAVORABLE) VARIANCE
	ORIGINAL	FINAL		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging, Inc.	27,065	27,065	27,065	-
State of Louisiana	-	-	-	-
Other:				
Miscellaneous	-	-	-	-
Contributions	12,000	12,000	9,361	(2,639)
Contributions in Kind	56,348	56,348	56,348	-
Total Revenues	95,413	95,413	92,774	(2,639)
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	56,348	56,348	56,348	-
Personnel	166,858	166,858	157,971	8,887
Fringe	32,706	32,706	28,075	4,631
Travel	2,220	2,220	431	1,789
Operating services	33,414	33,414	23,378	10,036
Operating supplies	13,344	13,319	11,881	1,438
Meals	338,173	265,073	265,073	-
Capital outlay	-	-	-	-
Other	4,810	4,810	5,494	(684)
Total Expenditures	647,873	574,748	548,651	26,097
Excess of Revenues over (under) Expenditures	(552,460)	(479,335)	(455,877)	23,458
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	552,460	479,335	455,877	(23,458)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ -	\$ -	\$ -	\$ -

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND - SENIOR CENTER**

**ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental:				
Capital Area Agency on Aging, Inc.	-	-	-	-
Governor's Office of Edlerly Affairs	84,503	84,503	92,316	7,813
Other:				
Miscellaneous	-	-	-	-
Contributions	-	-	-	-
Contributions in Kind	-	-	-	-
Total Revenues	<u>84,503</u>	<u>84,503</u>	<u>92,316</u>	<u>7,813</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	-	-	-	-
Fringe	-	-	-	-
Operating services	81,000	81,000	75,998	5,002
Operating supplies	18,000	18,000	23,899	(5,899)
Meals	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
Utility assistance	-	-	-	-
Other	10,000	10,000	9,103	897
Total Expenditures	<u>109,000</u>	<u>109,000</u>	<u>109,000</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	(24,497)	(24,497)	(16,684)	7,813
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	24,497	24,497	16,684	(7,813)
Operating transfers out	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND -ASCENSION MILLAGE**

**ASCENSION COUNCIL ON AGING, INC.
DONALDSONVILLE, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2019**

<u>REVENUES</u>	<u>BUDGETS</u>		<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Ad valorem taxes	\$ 1,825,091	\$ 1,838,991	\$ 1,910,129	\$ 71,138
Intergovernmental:				
Department of Transportation - Grant	-	-	146,058	146,058
Capital Area Agency on Aging, Inc.	-	-	-	-
Other:				
Miscellaneous	-	-	19,185	19,185
Contributions	-	-	1,190	1,190
Contributions in Kind	-	-	-	-
Total Revenues	<u>1,825,091</u>	<u>1,838,991</u>	<u>2,076,562</u>	<u>237,571</u>
<u>EXPENDITURES</u>				
Current:				
Expenditures in Kind	-	-	-	-
Personnel	118,732	141,568	134,775	6,793
Fringe	36,207	41,929	39,185	2,744
Travel	7,200	7,200	8,120	(920)
Operating services	49,760	48,760	50,248	(1,488)
Operating supplies	23,500	17,000	8,824	8,176
Other	35,700	32,040	26,631	5,409
Meals	-	73,100	46,203	26,897
Utility assistance	40,000	35,000	31,841	3,159
Capital outlay	74,500	109,000	216,998	(107,998)
Total Expenditures	<u>385,599</u>	<u>505,597</u>	<u>562,825</u>	<u>(57,228)</u>
Excess of Revenues over (under) Expenditures	1,439,492	1,333,394	1,513,737	180,343
<u>OTHER FINANCING SOURCES</u>				
<u>USES</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(1,336,494)	(1,333,394)	(1,238,156)	95,238
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 102,998	\$ -	\$ 275,581	\$ 275,581
BEGINNING FUND BALANCE	<u>2,227,821</u>	<u>2,227,821</u>	<u>2,227,821</u>	
ENDING FUND BALANCE	<u>\$ 2,330,819</u>	<u>\$ 2,227,821</u>	<u>\$ 2,503,402</u>	

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

**Ascension Council on Aging, Inc.
Donaldsonville, Louisiana
For the year ended June 30, 2019**

Executive Director's (Agency Head) Name: Darlene Schexnayder

Purpose	Amount
Salary	\$ 64,019
Benefits-insurance (health and life)	
Benefits-retirement	850
Benefits-Other (describe)	
Benefits-Other (describe)	
Benefits-Other (describe)	
Car allowance	
Vehicle provided by government (enter amount reported on W-2)	
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	950
Housing	
Unvouchered expenses (example: travel advances, etc.)	
Special meals	
Other - Petty Cash Reimbursements	

SUPPLEMENTARY FINANCIAL INFORMATION

Required by: Governor's Office of Elderly Affairs

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Non-Major Special Revenue Funds
 Ascension Council on Aging, Inc.
 Baton Rouge, LA
 For the Year Ended June 30, 2019

	Title III E	Utility Asst.	MIPPA	Sup. Senior Center	Total Non- Major Funds
REVENUES					
Intergovernmental					
Capital Area Agency on Aging	\$ 2,325	\$ -	\$ -	\$ -	\$ 2,325
Governor's Office of Elderly Affairs	-	-	1,200	3,100	4,300
Public Support					
Contributions-other restricted	-	-	-	-	-
Contributions	-	-	-	-	-
Investment Income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Inkind Contributions	1,840	-	-	-	1,840
Total Revenues	4,165	-	1,200	3,100	8,465
EXPENDITURES					
Health, Welfare, & Social Services					
Current:					
Personnel	1,607	-	-	-	1,607
Fringe	193	-	-	-	193
Travel	-	-	-	-	-
Operating Services	-	-	-	-	-
Operating Supplies	-	-	-	-	-
Other Costs	-	-	-	-	-
Meals	-	-	-	-	-
Utility Assistance	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Inkind Expenditures	1,840	-	-	-	1,840
Total Expenditures	3,640	-	-	-	3,640
Excess (deficiency) of Revenues over Expenditures	525	-	1,200	3,100	4,825
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(3,100)	(3,100)
Total other Financing Sources and Uses	-	-	-	(3,100)	(3,100)
Net Increase (Decrease) in Fund Balances	525	-	1,200	-	1,725
FUND BALANCES					
Beginning of the Year	-	(217)	2,060	-	1,843
End of the Year	\$ 525	\$ (217)	\$ 3,260	\$ -	\$ 3,568

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

Ascension Council on Aging, Inc.
Donaldsonville, Louisiana

For the year ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
General Fixed Assets:				
Vehicles	\$ 386,586	\$ 192,824	\$ (49,413)	\$ 529,997
Building improvements	796,747	20,930	-	817,677
Office Furniture and Equipment	119,878	3,244	(1,390)	121,732
Total Fixed Assets	<u>\$ 1,303,211</u>	<u>\$ 216,998</u>	<u>\$ (50,803)</u>	<u>\$ 1,469,406</u>
Investment in General Fixed Assets:				
Property acquired with funds from- Millage/ Parish	1,294,833	216,998	(50,803)	1,461,028
Senior Center	8,378	-	-	8,378
Total Investments in General Fixed Assets	<u>\$ 1,303,211</u>	<u>\$ 216,998</u>	<u>\$ (50,803)</u>	<u>\$ 1,469,406</u>

SUPPLEMENTARY FINANCIAL INFORMATION

REQUIRED BY: OMB CIRCULAR A-133

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Ascension Council on Aging, Inc.
Donaldsonville, Louisiana

For the year ended June 30, 2019

<u>Grants Passed Through State of Louisiana and Capital Area Agency on Aging</u>	<u>Federal CFDA Number</u>	<u>Program Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
Capital Area Agency on Aging- District II, Inc.				
Title III Part C-1	93.045	\$ 17,945	\$ 17,945	\$ 17,945
Title III Part C-2	93.045	15,166	15,166	15,166
Title III Part B	93.044	54,995	54,995	54,995
Title III Part E	93.052	1,875	1,875	1,875
		-----	-----	-----
Totals		\$ 89,981	\$ 89,981	\$ 89,981
		=====	=====	=====

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

To the Board of Directors,
Ascension Council on Aging
Donaldsonville, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Ascension Council on Aging, Donaldsonville, Louisiana, (the Council) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated October 21, 2019.

Internal Control Over Financial Reporting

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

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

material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

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

Baton Rouge, Louisiana,
October 21, 2019


Michael R. Choate & Company, CPAs

FINDINGS AND QUESTIONED COSTS

Internal Accounting and Administrative Controls and Compliance

Ascension Council on Aging, Inc.
Donaldsonville, Louisiana

June 30, 2019

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

PRIOR YEAR AUDIT FINDINGS

Ascension Council on Aging, Inc.
Donaldsonville, Louisiana

June 30, 2019

MATERIAL WEAKNESSES – JUNE 30, 2018

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

ASCENSION COUNCIL ON AGING
AGREED UPON PROCEDURES REPORT
For the year ended June 30, 2019

MICHAEL R. CHOATE & COMPANY
Certified Public Accountants

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Independent Accountant's Report on Applying Agreed-Upon Procedures

Ascension Council on Aging, Inc.
Donaldsonville, Louisiana, USA

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

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

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

The procedures and associated findings are as follows:

Procedures:

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

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

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

Findings:

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

No findings.

2. Testing of all other AUP categories:

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

Bank reconciliations –N/A no findings prior year.

Collections – N/A no findings prior year;

Non payroll disbursements –N/A no findings prior year;

Credit cards –N/A no findings prior year;

Travel expenditures –N/A no findings prior year;

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

Payroll – N/A no findings prior year.

Ethics –N/A no finding prior year.

Debt service – N/A no findings prior year;

Other – N/A no findings prior year.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

October 21, 2019


Michael R Choate & Company CPAs

APPENDIX

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

Procedures

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

Written Policies and Procedures

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):³
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements,

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

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

- (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) *Ethics*⁴, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

*Board or Finance Committee*⁵

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.⁶ *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes*

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

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

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

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

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

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

Bank Reconciliations

- 3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts⁷ (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Collections (excluding EFTs)⁸

- 4. Obtain a listing of deposit sites⁹ for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations¹⁰ 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

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

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

⁹ A deposit site is a physical location where a deposit is prepared and reconciled.

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

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

and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

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

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

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

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards¹². Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or

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

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

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

Travel and Travel-Related Expense Reimbursements¹⁴ (excluding card transactions)

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

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

¹⁴ Non-travel reimbursements are not required to be tested under this category.

*Louisiana Legislative Auditor – Statewide Agreed-Upon Procedures
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individuals participating) and other documentation required by written policy (procedure #1h).

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

Contracts

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 Law¹⁵ (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

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

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

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

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

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

*Ethics*¹⁶

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above¹⁷, obtain ethics documentation from management, and:
- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Debt Service*¹⁸

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree

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

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

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

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actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises¹⁹ and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.²⁰

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

²⁰ This notice is available for download or print at www.la.gov/hotline.