

**EAST BATON ROUGE
COUNCIL ON AGING, INC.
BATON ROUGE, LOUISIANA
JUNE 30, 2022**



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INDEPENDENT AUDITOR'S REPORT

To Management and Members of the Board of Directors of
The East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of East Baton Rouge Council on Aging, Inc. (the Council), 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, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

Change in Accounting Principle

As described in the notes to the financial statements, in 2022, the Council adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining schedule of revenues, expenditures and changes in fund balance – nonmajor governmental funds, the comparative schedule of capital assets and changes in capital assets, and the schedule of compensation, benefits and other payments to chief executive officer is presented for purposes of additional analysis and is not a required part of the basic financial statements. Also, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining schedule of revenue and expenditures and changes in fund balance – nonmajor government funds, the comparative schedule of capital assets and changes in capital assets, the schedule of expenditures of federal awards, and the schedule of compensation, benefits and other payments to chief executive officer are the responsibility of management and were 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining schedule of revenue and expenditures and changes in fund balance - nonmajor governmental funds, the comparative schedule of capital assets and changes in capital assets, the schedule of expenditures of federal awards, and the schedule of compensation, benefits and other payments to chief executive officer 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 December 27, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

S. A. Champagne & Co, LLP

Baton Rouge, Louisiana

December 27, 2022

REQUIRED SUPPLEMENTARY INFORMATION



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MANAGEMENT'S DISCUSSION AND ANALYSIS

The "Management's Discussion and Analysis" of the East Baton Rouge 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, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this report in conjunction with the basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council's Government-Wide total assets exceeded its total liabilities at the close of fiscal year 2022 by \$11,618,701.

- **Changes in Revenue 2022 vs 2021**

Total revenues decreased by approximately \$161,000 or 1% from the prior fiscal year. In the current fiscal year, revenues from the Governor's Office of Elderly Affairs decreased by approximately \$53,000. Public support from corporate contributions decreased approximately \$8,000 while other income decreased by approximately \$155,000.

- **Changes in Expenses 2022 vs 2021**

Total expenses increased by approximately \$4,000,000 or 27% from the prior fiscal year mainly due to increases in capital outlay related to construction cost for the new administrative and kitchen building.

- The increase in net position for the year ended June 30, 2022 is \$217,111. The increase in net position for the year ended June 30, 2021 was \$2,563,779.
- The Council's total net position for the year ended June 30, 2022 totaled \$11,618,701 compared to the net position of \$11,401,590 for the year ended June 30, 2021.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Council's annual financial report consists of six parts:

- (1) Management's discussion and analysis (this section)
- (2) The basic financial statements (government-wide and fund statements)
- (3) Supplementary information required by GASB 34
- (4) Supplementary information required by GOEA
- (5) Supplementary information required by *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*
- (6) Auditors' reports.

The government-wide financial statements, which consist of the Statement of Net Position (Statement 1) and the Statement of Activities (Statement 2), provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Governmental Funds Balance Sheet (Statement 3) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Statement 5), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Council, along with notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. When using these financial statements, the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements found on pages 10 through 11 report the Council's net assets and changes in them. However, to assess the overall financial position of the Council, the user must also consider nonfinancial factors, such as, the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position presents all assets and liabilities and the Council's financial position at year end, whereas the Statement of Activities presents information showing how the Council's net assets changed during this fiscal year as a result of the Council's activities. In this statement, all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods. The governmental activities of the Council include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of eight distinct programs that include supportive services, nutritional services, family caregiver support, senior community service employment, disease prevention and health promotion, senior citizen center operations, unmet needs, and Medicare outreach and enrollment. There is also a line item for "other services," which consists of a variety of services that individually do not represent very large expenditures. Subprogram activities are also presented within a couple of the primary functions to facilitate additional analysis. All activities of the Council are considered to be governmental activities.

A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity might be classified as a business-type activity. The Council does not have any business-type activities.

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 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. Accordingly, the governmental funds use the modified accrual basis of accounting. 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. The Governmental Funds balance sheet presents a reconciliation of total governmental funds balance to net position of governmental activities on Statement 4. The reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities is presented on Statement 6.

The Council uses two types of governmental funds: (1) a general fund, and (2) special revenue funds.

The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from a grant from the City-Parish of East Baton Rouge and public donations. General funds are often transferred to special revenue funds to help pay for expenditures that could not be covered by their primary revenues.

All other funds are special revenue funds that are used to account for the proceeds of specific revenue sources which are restricted or committed to expenditures for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues. Most special revenue funds have no fund balance at year-end because all revenue received is expended in the same year. The Utility Assistance fund is one special revenue fund that typically has a fund balance at year end because any unspent revenue at year end does not have to be returned to a grantor or donor.

The Council has presented the General Fund, Title IIIB Fund, Title III C-1 Fund, Title III C-2 Fund, Senior Center Fund, and the NSIP fund as "major" governmental funds as required by the Governor's Office of Elderly Affairs.

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 beginning on page 16 of this report. The notes to the financial statements should be read before making assumptions or conclusions about the Council's financial condition.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) 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 (see pages 32 through 39).

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement No. 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package and not with the other RSI, which is included later in this reporting package.

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about 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, (see pages 40 through 41).

SUPPLEMENTARY INFORMATION REQUIRED BY *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS*

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule will present 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 to the Council, (see pages 42 through 43).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As of June 30, 2022, net position was \$11,618,701. As of June 30, 2021, the net position was \$11,401,590. This was an increase in net position of \$217,111.

**Table 1
Net Position (Deficit)**

	2022	2021	Increase (Decrease)	
			Amount	Percent
Cash	\$ 1,769,669	\$ 4,011,990	\$ (2,242,321)	(56)%
Other current assets	64,985	208,179	(143,194)	(69)
Capital assets, net	13,517,714	7,704,996	5,812,718	75
Right-to-use assets, net	859,247	-	859,247	100
Noncurrent assets	15,397	24,086	(8,689)	(36)
Total assets	<u>16,227,012</u>	<u>11,949,251</u>	<u>4,277,761</u>	35
Accounts payable	795,244	300,470	494,774	165
Accrued payroll and related taxes	195,818	151,721	44,097	29
Accrued compensated absences	89,237	95,470	(6,233)	(7)
Other non-current liabilities	3,528,012	-	3,528,012	100
Total liabilities	<u>4,608,311</u>	<u>547,661</u>	<u>4,060,650</u>	741
Net position:				
Net investment in capital assets	10,848,949	7,704,996	3,143,953	41
Restricted for:				
Utility assistance	95,962	95,962	-	-
Unrestricted position (deficit)	673,790	3,600,632	(2,926,842)	(81)
Total net position	\$ <u>11,618,701</u>	\$ <u>11,401,590</u>	\$ <u>217,111</u>	2%

Governmental Activities

Governmental activities in fiscal year 2022 led to an increase in net position of \$217,111 resulting in a net position of \$11,618,701 for the year ended June 30, 2022. For the year ended June 30, 2021, governmental activities resulted in an increase in the net position of \$2,563,779. Key elements of these activities are detailed in Table 2.

Table 2
Changes in Net Position (Deficit)

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	
			<u>Amount</u>	<u>Percent</u>
Revenues				
Program revenues:				
Operating grants and contributions	\$ 3,338,499	\$ 3,391,224	\$ (52,725)	2%
Charges for services	-	-	-	-
General revenues:				
Grants and contributions not restricted	112,823	275,847	(163,024)	59
Interest	21,703	33,037	(11,334)	34
Property Tax	10,291,421	10,225,402	66,019	1
PPP loan forgiveness	-	821,597	(821,597)	(100)
Loss on sale of lotus village property	(118,427)	(59,330)	(59,097)	(100)
Total revenues	<u>13,646,019</u>	<u>14,687,777</u>	<u>(1,041,758)</u>	7
Expenses				
Total expenses	<u>13,428,908</u>	<u>12,123,998</u>	<u>1,304,910</u>	11
Increase in net position	217,111	2,563,779	(2,346,668)	92
Net position – beginning of year	<u>11,401,590</u>	<u>8,837,811</u>	<u>2,563,779</u>	29
Net position – end of year	\$ <u>11,618,701</u>	\$ <u>11,401,590</u>	\$ <u>217,111</u>	2%

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see on Statement 2, the Council's major program activities include supportive services, nutrition services, and senior centers. Accordingly, management allocates funds to these programs because that is where there is the greatest demand.

Another area of interest on the Statement of Activities relates to the total column wherein the Council illustrates that its governmental activities have more expenses than program revenues. In other words, they are not self-supporting. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without unrestricted grants and contributions, the Council would be unable to provide services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

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, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balance for all fund types of \$754,355, a decrease in the fund balance of \$2,751,966 when compared to last year. The Council's General Fund balance decreased by \$2,751,966 during the current fiscal year. The unassigned fund balance component of the General Fund was \$658,393. The combined decrease in all Special Revenue Funds was \$5,271,298. The decrease in the fund balance in the current fiscal year was a result of the following:

Revenues

Total revenues (excluding in-kind services and facilities) decreased by approximately \$160,000 in the current year. Revenues from the Governor's Office of Elderly Affairs decreased by approximately \$53,000. Property tax collections increased by approximately \$66,000 in the current year. Public support from corporate contributions decreased approximately \$8,000.

Expenditures

Total expenditures (excluding in-kind services and facilities) increased by approximately \$4,100,000 this year, primarily due to the increase in capital outlay and other cost during the June 30, 2022 year.

AN ANALYSIS OF THE GENERAL FUND BUDGET

The budget was amended one time during the year. The budgetary comparison schedule for the General Fund is on page 32. Revenues exceeded the final amended budget by approximately \$698,000 attributed to the revenue received from the property tax millage and GOEA funding. Expenditures were more than the final amended budget by approximately \$1,400,000 mainly due to expenditures for capital assets during the June 30, 2022 year.

CAPITAL ASSET
Capital Assets

The Council’s investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$13,517,714 (net accumulated depreciation). This investment in capital assets includes leasehold improvements, furniture and equipment, vehicles and buildings (see table below):

Table 3
Capital Assets at Year-end

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 358,212	\$ 452,917
Furniture and equipment	3,041,140	1,565,197
Vehicles	875,922	824,830
Buildings	<u>11,599,709</u>	<u>6,649,014</u>
	15,874,983	9,491,958
Less accumulated depreciation	<u>(2,357,269)</u>	<u>(1,786,962)</u>
Totals	<u>\$ 13,517,714</u>	<u>\$ 7,704,996</u>

The Council had an increase in capital assets net of accumulated depreciation of \$5,812,718. The increase is attributable to the asset additions of approximately \$6,383,025, along with \$570,307 in depreciation expense for the current year.

ADDOPTION OF NEW ACCOUNTING STANDARD

The Council adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, which provides guidance on the recognition, measurement, and presentation of leases. The adoption of GASB 87 resulted in the recognition of lease assets and lease liabilities on the Council’s statement of net position in the amount of \$859,247, which represents the leases net present value.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

The Council receives most of its funding from local property taxes and, federal, state and local agencies. As a result, the source of income for the Council is consistent. However, some of the Council’s grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been changes to the funding due to the additional funds received from the federal government because of the pandemic. However, the terms of the grants and contracts have not changed significantly. There are no plans to add any significant programs for next fiscal year. The construction of the administrative building will be completed by the end of calendar year 2022. The purchases have been made of furniture, fixtures and equipment. The Council will continue to pursue contracts and grants relative to the type of programs that we presently are engaged in. There are no plans to add significant new programs for the next fiscal year.

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

- Each year the East Baton Rouge Council on Aging, Inc. experiences increases in fuel costs, food cost, the number of clients served and other inflationary items without additional funding to offset these increase.
- Actual expenditures from the previous fiscal year in relation to expected needs in the current year.

- Consideration of funding to be received from GOEA and City of Baton Rouge.
- Salaries and benefits are based on the number of employees needed to perform necessary services.
- Services the Council will provide along with estimated service costs.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.

CONTACTING THE COUNCIL'S MANAGEMENT

This financial report is designed to provide a general overview of the Council's finances for those with an interest in the Council's financial position and operations. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to Ms. Eva Pratt, CFO, East Baton Rouge Council on Aging, Inc., 5790 Florida Blvd., Baton Rouge, Louisiana, (225) 923-8031.



Tasha Clark-Amar
Chief Executive Officer

BASIC FINANCIAL STATEMENTS

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF NET POSITION
June 30, 2022

Statement 1

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 1,769,669
Accounts receivable	64,985
Total current assets	1,834,654
Noncurrent assets:	
Capital assets, net of depreciation	13,517,714
Right-to-use lease assets, net	859,247
Deposits	15,397
Total assets	\$ 16,227,012
 LIABILITIES	
Current liabilities:	
Accounts payable	\$ 795,244
Accrued payroll and related taxes	195,818
Total current liabilities	991,062
Non-current liabilities:	
Due within one year	725,211
Due in more than one year	2,892,038
Total liabilities	4,608,311
 NET POSITION	
Net investment in capital assets	10,848,949
Restricted for:	
Utility assistance	95,962
Unrestricted net position	673,790
Total net position	11,618,701
Total liabilities and net position	\$ 16,227,012

See accompanying notes to the basic financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
For the year ended June 30, 2022

	Direct Expenses	Indirect Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Total Governmental Activities
Functions/Programs					
Governmental activities:					
Health, Welfare, and Social Services:					
Supportive Services:					
Personal Care	\$ 656,768	\$ 202,333	\$ -	\$ 436,736	\$ (422,365)
Utility Assistance	-	-	-	-	-
Nutrition Service:					
Congregate Meals	1,813,364	414,539	-	378,567	(1,849,336)
Home Delivered Meals	2,517,814	494,872	-	662,345	(2,350,341)
Disease Preventing and Health Promotion	-	-	-	20,429	20,429
National Family Caregiver Support	-	-	-	140,230	140,230
Multipurpose Senior Centers	1,914,556	-	-	442,158	(1,472,398)
Administration:					
Area Agency Administration	-	-	-	151,774	151,774
General Administration	6,526,406	(1,111,744)	-	1,106,260	(4,308,402)
Total governmental activities	\$ 13,428,908	\$ -	\$ -	\$ 3,338,499	\$ (10,090,409)
General Revenues:					
Grants and contributions not restricted to specific programs					112,823
Interest					21,703
Taxes:					
Property					10,291,421
Special item:					
Loss on disposition of assets					(118,427)
Total general revenues					10,307,520
Increase in net position					217,111
Net position - beginning of the year					11,401,590
Net position - end of the year					\$ 11,618,701

See accompanying notes to the basic financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Title III B	Title III C-1	Title III C-2	Senior Center	NSIP	Non- Major Funds	Total Governmental Funds
ASSETS								
Cash	\$ 1,769,669	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,769,669
Other receivables - net	35,715	10,558	3,532	10,318	-	-	4,862	64,985
Due from other funds	-	8,904	2,590	4,122	35,790	-	91,100	142,506
Total Assets	\$ 1,805,384	\$ 19,462	\$ 6,122	\$ 14,440	\$ 35,790	\$ -	\$ 95,962	\$ 1,977,160
LIABILITIES								
Accounts payable	\$ 795,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,244
Accrued payroll and related taxes	120,004	19,462	6,122	14,440	35,790	-	-	195,818
Accrued compensated absences	89,237	-	-	-	-	-	-	89,237
Due to other funds	142,506	-	-	-	-	-	-	142,506
Total Liabilities	1,146,991	19,462	6,122	14,440	35,790	-	-	1,222,805
FUND BALANCES								
Restricted	-	-	-	-	-	-	95,962	95,962
Unassigned	658,393	-	-	-	-	-	-	658,393
Total fund balances	658,393	-	-	-	-	-	95,962	754,355
Total liabilities and fund balances	\$ 1,805,384	\$ 19,462	\$ 6,122	\$ 14,440	\$ 35,790	\$ -	\$ 95,962	\$ 1,977,160

See accompanying notes to the basic financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2022

Fund balance - governmental funds		\$ 754,355
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund.</p>		
Governmental capital assets	\$15,874,983	
Less accumulated depreciation	<u>(2,357,269)</u>	13,517,714
Right-to-use lease assets, net		859,247
<p>Assets used in governmental activities that are not financial resources and, therefore, are not reported in the governmental funds.</p>		
Deposits		15,397
<p>Long-term liabilities, including note payables and right-to-use liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>		
Note payable - construction loan	(2,668,765)	
Right-to-use liability	<u>(859,247)</u>	(3,528,012)
Net position of governmental activities		<u><u>\$11,618,701</u></u>

See accompanying notes to the basic financial statements.

EAST BATON ROUGE 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 Fund	Title III C-1 Fund	Title III C-2 Fund	Senior Center	NSIP	Non- Major Funds	Total Governmental Funds
REVENUES								
Intergovernmental:								
Office of Elderly Affairs	\$ 257,972	\$ 436,736	\$ 378,567	\$ 662,345	\$ 375,039	\$ 505,565	\$ 379,552	\$ 2,995,776
Taxes:								
Property	10,291,421	-	-	-	-	-	-	10,291,421
Public Support (restricted):								
Contributions	-	-	-	-	-	-	-	-
Public Support (unrestricted):								
Contributions	37,269	-	-	-	5,144	-	-	42,413
Program Service Fees:								
Paid meals	-	-	-	-	-	-	-	-
Interest	21,703	-	-	-	-	-	-	21,703
Other	70,410	-	-	-	-	-	-	70,410
In-kind Contributions	225,504	-	-	-	117,219	-	-	342,723
Total revenues	<u>10,904,279</u>	<u>436,736</u>	<u>378,567</u>	<u>662,345</u>	<u>497,402</u>	<u>505,565</u>	<u>379,552</u>	<u>13,764,446</u>
EXPENDITURES								
Health, Welfare, & Social Services:								
Current:								
Salaries and wages	2,031,795	348,616	660,253	610,808	456,967	-	61,589	4,170,028
Fringe	270,997	322,731	164,614	175,127	287,748	-	11,854	1,233,071
Travel	-	17,579	-	-	-	-	-	17,579
Operating services	919,044	125,838	131,895	217,382	1,015,702	-	35,132	2,444,993
Operating supplies	35,116	19,038	99,058	155,375	153,057	-	-	461,644
Other cost	913,729	25,299	66,861	101,598	3,021	-	6,705	1,117,213
Kitchen operations	5,082	-	1,105,222	1,752,396	-	-	-	2,862,700
Capital outlay	6,809,932	-	-	-	-	-	-	6,809,932
Debt service:								
Interest	68,017	-	-	-	-	-	-	68,017
Utility Assistance	-	-	-	-	-	-	-	-
Total expenditures	<u>11,053,712</u>	<u>859,101</u>	<u>2,227,903</u>	<u>3,012,686</u>	<u>1,916,495</u>	<u>-</u>	<u>115,280</u>	<u>19,185,177</u>
Excess (deficiency) of revenues over expenditures	<u>(149,433)</u>	<u>(422,365)</u>	<u>(1,849,336)</u>	<u>(2,350,341)</u>	<u>(1,419,093)</u>	<u>505,565</u>	<u>264,272</u>	<u>(5,420,731)</u>
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	422,365	1,849,336	2,350,341	1,419,093	-	-	6,041,135
Operating transfers out	(5,271,298)	-	-	-	-	(505,565)	(264,272)	(6,041,135)
Proceeds from long-term debt	2,668,765	-	-	-	-	-	-	2,668,765
Total other financing sources and uses	<u>(2,602,533)</u>	<u>422,365</u>	<u>1,849,336</u>	<u>2,350,341</u>	<u>1,419,093</u>	<u>(505,565)</u>	<u>(264,272)</u>	<u>2,668,765</u>
Net change in fund balances	(2,751,966)	-	-	-	-	-	-	(2,751,966)
Fund balance								
Beginning of year	3,410,359	-	-	-	-	-	95,962	3,506,321
End of year	<u>\$ 658,393</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,962</u>	<u>\$ 754,355</u>

See accompanying notes to the basic financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES

Year ended June 30, 2022

Excess (deficiency) of revenues and other financing sources over expenditures and other uses - total governmental funds	\$ (2,751,966)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	\$ 6,662,696	
Depreciation expense	(731,551)	
		5,931,145

The net effect of various miscellaneous transactions involving capital assets, such as sales, donations, and other dispositions, is to decrease net position	(118,427)
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Some expenses reported by the governmental funds require the use of current financial resources and therefore are not reported as expenditures in the statement of activities

Prepaid expenses	\$ (166,187)	
Security deposits, net	(8,689)	
		(174,876)

Long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of government funds. Neither transactions, however, has any effect on net positions.

Long-term debt note payable for construction	(2,668,765)
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Increase of net position of governmental activities	\$ <u>217,111</u>
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See accompanying notes to the basic financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the East Baton Rouge 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.

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 East Baton Rouge Parish, Louisiana (the Parish); to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the Parish and state; to provide for the mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services with other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the elderly, and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

The primary services provided by the Council to the elderly residents of the Parish include congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homemaker services, operation of senior centers, and outreach.

Reporting entity

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

Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

Before January 1, 1982, the Council operated as part of the City of Baton Rouge. Effective January 1, 1982, the Council began operating as a stand-alone entity, and became responsible for managing all of its affairs. Based on the criteria set forth in GASB Statement No. 61, The Financial Reporting Entity (an amendment of GASB Statement 14), the Council is not a component unit of another primary government nor does it have any component units related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a stand-alone, special purpose government; accordingly, it is applying the provisions of Statement 61 as if it were a primary government.

A Board of Directors, consisting of eleven voluntary members who serve three-year terms, governs the Council.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of presentation

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 report individual major governmental funds and combined non-major governmental funds.

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

Government-wide financial statements - The Statement of Net Position and the Statement of Activities accounts for all activities of the Council. As a general rule, the effect of inter-fund 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 resulting from the activities of the current fiscal year. Generally, intergovernmental revenues support governmental activities.

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The amounts are presented on a consolidated basis and represent only governmental type activities.

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 such as 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-122, Cost Principles for Non-Profit Organizations. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses." GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs.

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income, and miscellaneous revenues that are not included among program revenues are reported as general revenues in this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund financial statements - The present financial information that is very similar to that which was included in the general-purpose financial statements issued by governmental entities before 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 generally 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. The non-major 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: non-spendable, restricted, committed, assigned and unassigned.

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

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. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund. The General Fund is considered a Major Fund of the Council.

The following are brief descriptions of the programs and funding sources that comprise the Council's General Fund:

Local

Revenues such as property taxes, donations from the general public, funding from the local City-Parish government, income from various fund-raising activities, and interest earned on invested idle funds have been recorded in the local program of the general fund. Expenses related to these activities as well as expenses not chargeable to specific programs are recorded in the local program. Local program funds are also transferred to other funds and programs to supplement their funding when needed. Most of the Council's fixed assets are acquired with local program funds.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PCOA (Primary Care for Older Adults)

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program benefits people who are at least 60 years old.

NSIP (Nutritional Services Incentive Program)

NSIP funds are provided to the Council through the GOEA. These funds are used to defray the cost of providing meals under the congregate and home delivered meal programs.

Senior Activities

The Senior Activities fund is used to account for revenues and costs associated with senior activities. These activities include, but are not limited to craft classes held at senior centers, a consignment store that enables senior citizens to market their crafts, and sponsorship of the annual Senior Olympics.

Major Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure 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. The Council has established several special revenue funds.

The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or non-major governmental fund:

Major Governmental Funds

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at strategically located meal sites in East Baton Rouge Parish.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds that are used to provide nutritional, home-delivered meals to home bound older persons.

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 funding for community service centers where older persons can receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates eleven senior centers and four nutritional food sites in East Baton Rouge Parish, Louisiana.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Governmental Funds

Title III C Area Agency Administration (AAA) Fund

The Title III C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

Title III D Fund

The Title III D Fund is used to account for funds that provide disease prevention and health promotion services. During the year, the Council provided wellness activities designed to support and/or improve the older person's mental and/or physical well-being including exercise/physical fitness classes and health screening sessions. The Council also provided medication management services, which included screening and educating older persons to prevent incorrect medications usage and adverse drug reactions.

Title III E Fund

The Title III E Fund is used to account for funds, which provide various caregiver support services. This includes public education, information and assistance, support groups, in-home respite care, and personal care services.

Supplemental Senior Center Fund

The Supplemental Senior Center Fund is used to account for the additional money appropriated by the Louisiana Legislature to supplement the primary state grant for senior centers. These funds are "passed through" the Governor's Office of Elderly Affairs.

Utility Assistance Fund

The Utility Assistance Fund is used to account for Project Care, which is sponsored by Entergy, a local utility company. Entergy collects contributions from service customers and employees and remits the funds directly to the Salvation Army. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

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.

Measurement focus – The government-wide financial statements are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets, and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported. All governmental funds utilize a current financial resources measurement focus in the fund financial statements. Only current financial assets and liabilities are generally included on the balance sheet. Operating statements present sources and uses of available spendable financial resources during a given period. The fund balance is the measure of available spendable financial resources at the end of the period.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of accounting - The government-wide financial statements are presented using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred or economic assets are used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Revenues are recognized when “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 be used to pay liabilities of the current period. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

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.

Cash and Cash Equivalents

Cash includes not only currency on hand, but also demand deposits with banks or other financial institutions. For the purposes of the Statement of Net Position, restricted cash amounts are those received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose.

Receivables

The Council’s account receivable balance includes receivables from the City Parish of East Baton Rouge for property tax payments collected on behalf of the Council but not transferred to the Council and amounts for grant payments from GOEA as of June 30, 2022.

Prepaid Expenses

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

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 Position. 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.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (continued)

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:

Buildings	30 years
Building Improvements	20 years
Equipment	5-7 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles. For that category of capital assets, management has used 10% of the vehicle's initial cost as a salvage value estimate.

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

Compensated Absences

The vacation year is from July 1 to June 30. Paid vacation leave is earned based on years of service. Vacation increases with each year of employment according to the schedule below. Full-time employees will accrue vacation time based on the number of hours the employee is paid during the pay period. The following schedule is based upon an employee being paid for 80 hours per pay period and denotes the maximum accrual per year based on length of service:

<u>Years of Service</u>		<u>Days Earned</u>
One to Five Years	-	5 days per year
Six to Ten Years	-	10 days per year
Ten plus Years	-	15 days per year

No more than 5 days of vacation leave may be carried over after June 30th each year. Payment of any vested vacation leave is made by the Council upon termination of an employee for any reason.

Generally accepted accounting principles require the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Council recorded a liability as of June 30, 2022, for the accrued vacation for each employee at the employee's current rate of pay.

Generally accepted accounting principles require the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employee's termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

Management has estimated that the liability for accrued compensated absences will be paid from general fund expendable, available financial resources. Consequently, the total amount of accrued compensation is reported as a current accrued liability at the fund level.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income Tax Status

The Council, a quasi-governmental entity, is exempt from federal income taxes under Section 501(C) (3) of the Internal Revenue Code (the Code), and is an organization that is not a private foundation as defined in section 509(a) of the Code. The Council is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an “affiliate of a governmental unit” within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Net Position in the Government-wide Financial Statements

In the Government-wide Statement of Net Position, the net position is classified and displayed in three components:

- *Net Investment in capital assets* – This component consists of capital assets and right-to-use lease assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, right-of-use liability or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end, the Council had \$3,528,012 in borrowings that were related to capital assets.
- *Restricted net position* – This component consists of net assets 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 assets that do not meet the definition of "restricted" or "net investment in capital assets." When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's usual policy is to use restricted resources first to finance its activities.

Fund Balance – Fund Financial Statements

Accounting standards require governmental fund balances to be reported in five 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 purpose for which resources can be used:

- *Nonspendable* - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The Council did not have any nonspendable funds as of year-end.

- *Restricted* - 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.)

The Council had restricted funds of \$95,962 at year-end.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *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 purpose 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 funds as of year-end.

- *Assigned:* This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes.

The Council did not have any funds available to assign at year-end.

- *Unassigned:* This classification is the residual fund balance for 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.

The Council had an unassigned fund balance of \$658,393 at year-end.

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

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 costs of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. These indirect costs, including travel, operating services, operating supplies, and other administrative costs are allocated using a budget tool provided by the GOEA which is based primarily on the relationship of direct costs a program bears to the total direct costs of all programs.

Management's Use of Estimates

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

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Units

On August 13, 2019 the Council formed a wholly-owned limited liability company, EBRCOA Lotus Village, LLC (The Company). The Company was formed pursuant to a memorandum of understanding, dated March 29, 2019 by and among the Council and the Gulf Coast Housing Partnership, Inc. and various Gulf Coast related entities for the purpose of financing the construction of rental housing for seniors in the community served by the Council. Since the Council is the governing body for this wholly-owned limited liability company and there is a financial benefit/burden relationship between the Council and the component unit, it is presented as a blended component unit and reported as if it's a part of the Council.

B: CASH

The Council maintains a consolidated bank account that is available for use by all funds.

The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

The Council maintains another demand deposit account for making payroll disbursements. The Council has additional bank accounts, for investment of idle funds to reduce credit risks and for other administrative purposes.

As described in 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, the Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance. Accordingly, the Council's management obtained collateralization for deposits at financial institutions that exceed FDIC insurance.

Cash is reported at its carrying value, which equals its fair value. At June 30, 2022, no cash balances were restricted. The bank balances associated with these carrying values were \$2,146,695. None of the bank balances were exposed to credit risks.

C: RECEIVABLES ON FUNDING CONTRACTS

No amounts were due on funding contracts from the Governor's Office of Elderly Affairs at June 30, 2022.

D: RETIREMENT

Deferred Compensation

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option.

The deferred compensation cannot be withdrawn by participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

D: RETIREMENT (Continued)

of the participants and their beneficiaries. In accordance with GASB Statement No. 32, the Council does not carry the liability for deferred compensation or any related deposit or investment assets on its combined balance sheet. At June 30, 2022, the plan assets totaled \$56,800.

403(b) Plan

The Council offers its employees a defined contribution plan covering all eligible employees. Employees are eligible to receive employer matching contributions if they are at least 21 years of age and have worked for the Council for at least six months. During the year the Council contributed \$62,333 to the plan as employee matching.

E: CAPITAL ASSETS

A summary of changes to fixed assets and right-to-use assets for the year ended June 30, 2022, is as follows:

	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Capital assets:				
Vehicles	\$ 824,830	\$ 51,092	\$ -	\$ 875,922
Furniture and equipment	1,565,197	1,554,517	78,574	3,041,140
Leasehold improvements	452,917	106,392	201,097	358,212
Buildings	6,649,014	4,950,695	-	11,599,709
Total capital assets	<u>9,491,958</u>	<u>6,662,696</u>	<u>279,671</u>	<u>15,874,983</u>
Less accumulated depreciation:				
Vehicles	384,057	119,881	-	503,938
Furniture and equipment	786,543	333,113	65,248	1,054,408
Leasehold improvements	128,537	16,472	95,996	49,013
Buildings	487,825	262,085	-	749,910
Total accumulated depreciation	<u>1,786,962</u>	<u>731,551</u>	<u>161,244</u>	<u>2,357,269</u>
Capital assets, net of depreciation	<u>\$ 7,704,996</u>	<u>\$ 5,931,145</u>	<u>\$ 118,427</u>	<u>\$ 13,517,714</u>
	Balance 06/30/21	Additions	Deletions	Balance 06/30/22
Right of use assets:				
Central senior center	\$ -	\$ 607,775	\$ 94,080	\$ 513,695
Antioch senior center	-	211,055	81,000	130,055
Zachary senior center	-	158,732	54,096	104,636
Copiers	-	15,059	3,450	11,609
Computer - Dell	-	91,304	16,002	75,302
Computer - Apple	-	30,505	6,555	23,950
Total right of use assets	<u>\$ -</u>	<u>\$ 1,114,430</u>	<u>\$ 255,183</u>	<u>\$ 859,247</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

E: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Congregate Meals	\$ -
Home Delivered Meals	-
General Administration	<u>731,551</u>
Total depreciation expense – governmental activities	<u>\$ 731,551</u>

The Council reported a loss on disposition of assets on the deletions noted above as a special item on the government-wide statement of activities in the amount of \$118,427. This loss was due to the fact the Council moved into a new administrative building during the fiscal year and disposed of assets.

F: LINE OF CREDIT

On April 7, 2021, the Council opened a \$500,000 line of credit with Hancock Whitney Bank. The interest rate is variable at Prime plus 1.750%, which was 4.75% at June 30, 2022. The following is a summary of transactions relating to the line of credit in 2022.

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22
Line of Credit	\$ -	\$ 500,000	\$ 500,000	\$ -

G: DEBT

The following is a summary of transactions relating to the Council's long-term debt during the year.

	Balance 06/30/21	Additions	Reductions	Balance 06/30/22	Short-term
Accrued compensated absences	\$ 95,470	\$ 101,755	\$ 107,988	\$ 89,237	\$ 89,237
Right of use liability	-	1,114,430	255,183	859,247	313,410
Note payable construction loan	-	<u>2,668,765</u>	-	<u>2,668,765</u>	<u>322,564</u>
	<u>\$ 95,470</u>	<u>\$ 3,884,950</u>	<u>\$ 363,171</u>	<u>\$ 3,617,249</u>	<u>\$ 725,211</u>

The Council on April 7, 2021 secured a multiple advance construction loan for \$4,600,000 with Hancock Whitney Bank. The interest rate is 4.750% per annum based on a year of 360 days. This loan will be used to help manage construction cost for the administrative building.

H: LEASE COMMITMENTS

Operating Leases

On January 1, 2010, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The lease is for a term of twenty-five years at no cost. The Council is responsible for utilities, normal repairs and maintenance, and providing liability, fire and casualty insurance in the amount of \$5 million.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

H: LEASE COMMITMENTS (Continued)

In previous years the Council entered into three lease agreements to facilitate its operations throughout East Baton Rouge Parish. The terms for these leases range from two years to eight years, with monthly payments from \$6,762 to \$8,173. These leases expire in fiscal year 2024 and 2029.

The Council also leases equipment under various leasing arrangements which qualify as operating leases. The lease payments are made on a monthly basis under scheduled terms that vary.

A right of use asset and liability for the Council's leases were recorded at present value of future payments which was calculated using the Council's incremental borrowing rate of 4.75%. Management has estimated the future payments, including their principal and interest as follows:

Year ending June 30,	Principle	Interest	Total Payments
2023	\$ 281,682	\$ 34,734	\$ 316,416
2024	188,450	22,315	210,765
2025	97,347	16,191	113,538
2026	84,364	12,020	96,384
2027	86,086	7,993	94,079
Thereafter	121,318	4,122	125,440
	\$ 859,247	\$ 97,375	\$ 956,622

Amortization related to these operating leases totaled \$312,765 for the year ended June 30, 2022.

I: BOARD OF DIRECTOR'S COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses.

J: EMPLOYEE BENEFITS

The Council maintains a cafeteria plan allowable under IRC Section 125 for its eligible full-time employees. Employees may elect to reduce compensation to pay for personal health and dental insurance.

K: ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from property taxes, and grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal, state, and local governments. However, management is not aware of any actions by Council funding sources that will adversely affect operations in the next fiscal year.

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

Property taxes	75%
Governor's Office of Elderly Affairs	22%

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

L: FEDERALLY ASSISTED AND OTHER GOVERNMENT PROGRAMS

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

M: INTERFUND TRANSFERS

The Council provides support to its various programs in the form of transfers. Transfers in and out are listed by fund type for the year ended June 30, 2022:

Transfers In For:	Transfers Out From			
	General Fund	NSIP	Nonmajor Funds in the Aggregate	Total Transfers In
Title III B	\$ 422,365	\$ -	\$ -	\$ 422,365
Title III C-1	1,712,833	136,503	-	1,849,336
Title III C-2	1,981,279	369,062	-	2,350,341
Senior Center	1,154,821	-	264,272	1,419,093
Nonmajor Funds in the Aggregate	-	-	-	-
Total Transfers Out	\$ 5,271,298	\$ 505,565	\$ 264,272	\$ 6,041,135

Transfers are used to (a) move revenues from the fund that collects the funds as required under applicable statute or budget to the fund that expends the funds as required under applicable statute or budget, and (b) shift unrestricted revenues from the General Fund to finance program costs not covered by dedicated special revenues.

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

N: IMPLEMENTATION OF NEW ACCOUNTING STANDARD

The Council adopted Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, effective July 1, 2021. The primary objective of this statement is to improve the financial reporting for leases by establishing a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Council adopted this standard in the year ended June 30, 2022.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

O: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and due to other funds at June 30, 2022:

	Due From	Due To
Senior Center Fund		
General Fund	\$ 35,790	\$ -
Title III B Fund		
General Fund	8,904	-
Title III C-1 Fund		
General Fund	2,590	-
Title III C-2 Fund		
General Fund	4,122	-
Nonmajor Fund in the aggregate		
General Fund	91,100	-
General Fund		
Title III B Fund	-	8,904
Title III C-1 Fund	-	2,590
Title III C-2 Fund	-	4,122
Senior Center Fund	-	35,790
Nonmajor Fund in the aggregate	-	91,100
Total General Fund	-	142,506
	\$ 142,506	\$ 142,506

Outstanding balances between funds reported as “due to/due from other funds” include charges by one fund to another for services and/or goods outstanding at year end and are expected to be settled within the next year.

Interfund receivables and payables are eliminated in the Government-Wide Financial Statements as a part of the consolidation process.

P: SUBSEQUENT EVENTS

Management has evaluated events through the date that the financial statements were available to be issued, December 27, 2022, and determined that no events have occurred that require additional disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

EAST BATON ROUGE COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

Q: IN-KIND DONATIONS

The Council received \$342,723 in 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 revenue.

A summary of the in-kind contributions and their respective assigned values is as follows:

The Council's main office facility was furnished by the City of Baton Rouge at no charge	\$ 225,504
Other Senior Center site facilities and health screening sites are furnished to the Council without charge	<u>117,219</u>
	<u>\$ 342,723</u>

The Council receives additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

R: AD VALOREM TAXES

Beginning in 2017, ad valorem taxes are levied on real property in East Baton Rouge Parish each year to finance the budget of the Council. Taxes are billed and collected by the East Baton Rouge Sheriff's Office.

The Parish of East Baton Rouge has established separate accounts for the Council on Aging. The activity of the Parish of East Baton Rouge/Council on Aging account for the year ended June 30, 2022 includes collection of the ad valorem tax of \$10,291,421, the payment of state retirement contributions in the amount of \$289,500, and the payment for other miscellaneous expense of \$10. The 10-year tax is scheduled to expire December 31, 2026.

The 2021 property tax calendar is as follows:

Levy date	November 28, 2020
Millage rates adopted	November 28, 2020
Tax bills mailed	November 22, 2021
Due date	December 31, 2021
Lien date	January 1, 2022

REQUIRED SUPPLEMENTARY INFORMATION

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts Modified	Variance with Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ -	\$ -	\$ 257,972	\$ 257,972
Taxes:				
Property	10,206,520	10,206,520	10,291,421	84,901
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	37,269	37,269
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	21,703	21,703
Other	-	-	70,410	70,410
In-kind Contributions	-	-	225,504	225,504
Total revenues	10,206,520	10,206,520	10,904,279	697,759
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	3,906,994	3,189,041	2,031,795	1,157,246
Fringe	759,594	877,098	270,997	606,101
Travel	2,000	5,000	-	5,000
Operating services	961,382	1,128,748	919,044	209,704
Operating supplies	77,649	156,398	35,116	121,282
Other cost	1,085,668	1,006,000	913,729	92,271
Kitchen operations	1,983,886	1,748,775	5,082	1,743,693
Capital outlay	671,400	1,488,921	6,809,932	(5,321,011)
Debt service:				
Principal retirement	-	-	-	-
Interest	-	-	68,017	(68,017)
Total expenditures	9,448,573	9,599,981	11,053,712	(1,453,731)
Excess (deficiency) of revenues over expenditures	757,947	606,539	(149,433)	(755,972)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(5,271,298)	(5,271,298)
Proceeds from long-term debt	-	-	2,668,765	2,668,765
Total other financing sources (uses)	-	-	(2,602,533)	(2,602,533)
Net change in fund balance	\$ 757,947	\$ 606,539	\$ (2,751,966)	\$ (3,358,505)
Fund balances				
Beginning of year			3,410,359	
End of year			\$ 658,393	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
TITLE III B - SUPPORTIVE SERVICES FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts Modified	Variance with Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ 436,736	\$ 436,736	\$ 436,736	\$ -
Taxes:				
Property	-	-	-	-
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	-	-
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
In-kind Contributions	-	-	-	-
Total revenues	436,736	436,736	436,736	-
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	568,276	266,284	348,616	(82,332)
Fringe	183,799	239,256	322,731	(83,475)
Travel	17,390	7,266	17,579	(10,313)
Operating services	104,543	86,048	125,838	(39,790)
Operating supplies	19,881	36,248	19,038	17,210
Other cost	16,663	19,362	25,299	(5,937)
Kitchen operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	910,552	654,464	859,101	(204,637)
Excess (deficiency) of revenues over expenditures	(473,816)	(217,728)	(422,365)	(204,637)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	422,365	422,365
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	422,365	422,365
Net change in fund balance	\$ (473,816)	\$ (217,728)	\$ -	\$ 217,728
Fund balances				
Beginning of year			-	
End of year			\$ -	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
TITLE III C-1 FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ 378,567	\$ 378,567	\$ 378,567	\$ -
Taxes:				
Property	-	-	-	-
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	-	-
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
In-kind Contributions	-	-	-	-
Total revenues	378,567	378,567	378,567	-
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	612,858	549,257	660,253	(110,996)
Fringe	176,766	157,297	164,614	(7,317)
Travel	-	-	-	-
Operating services	95,372	126,951	131,895	(4,944)
Operating supplies	1,365,194	940,430	99,058	841,372
Other cost	51,604	40,751	66,861	(26,110)
Kitchen operations	-	-	1,105,222	(1,105,222)
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	2,301,794	1,814,686	2,227,903	(413,217)
Excess (deficiency) of revenues over expenditures	(1,923,227)	(1,436,119)	(1,849,336)	(413,217)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	1,849,336	1,849,336
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	1,849,336	1,849,336
Net change in fund balance	\$ (1,923,227)	\$ (1,436,119)	\$ -	\$ 1,436,119
Fund balances				
Beginning of year			-	
End of year			\$ -	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
TITLE III C-2 FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ 662,345	\$ 662,345	\$ 662,345	\$ -
Taxes:				
Property	-	-	-	-
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	-	-
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
In-kind Contributions	-	-	-	-
Total revenues	662,345	662,345	662,345	-
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	827,569	714,477	610,808	103,669
Fringe	179,710	176,087	175,127	960
Travel	-	-	-	-
Operating services	155,631	251,203	217,382	33,821
Operating supplies	2,226,091	2,536,831	155,375	2,381,456
Other cost	83,062	99,821	101,598	(1,777)
Kitchen operations	-	-	1,752,396	(1,752,396)
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	3,472,063	3,778,419	3,012,686	765,733
Excess (deficiency) of revenues over expenditures	(2,809,718)	(3,116,074)	(2,350,341)	765,733
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	2,350,341	2,350,341
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	2,350,341	2,350,341
Net change in fund balance	\$ (2,809,718)	\$ (3,116,074)	\$ -	\$ 3,116,074
Fund balances				
Beginning of year			-	
End of year			\$ -	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
SENIOR CENTER FUND

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ 375,039	\$ 375,039	\$ 375,039	\$ -
Taxes:				
Property	-	-	-	-
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	5,144	5,144
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
In-kind Contributions	-	-	117,219	117,219
Total revenues	<u>375,039</u>	<u>375,039</u>	<u>497,402</u>	<u>122,363</u>
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	493,073	739,676	456,967	282,709
Fringe	124,013	216,109	287,748	(71,639)
Travel	1,500	1,500	-	1,500
Operating services	490,588	588,848	1,015,702	(426,854)
Operating supplies	55,384	77,620	153,057	(75,437)
Other cost	239,500	59,600	3,021	56,579
Kitchen operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	<u>1,404,058</u>	<u>1,683,353</u>	<u>1,916,495</u>	<u>(233,142)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,029,019)</u>	<u>(1,308,314)</u>	<u>(1,419,093)</u>	<u>(110,779)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	1,419,093	1,419,093
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,419,093</u>	<u>1,419,093</u>
Net change in fund balance	<u>\$ (1,029,019)</u>	<u>\$ (1,308,314)</u>	<u>\$ -</u>	<u>\$ 1,308,314</u>
Fund balances				
Beginning of year			-	
End of year			<u>\$ -</u>	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
BUDGETARY COMPARISON SCHEDULE -
NSIP

For the year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:	\$ 505,565	\$ 505,565	\$ 505,565	\$ -
Taxes:				
Property	-	-	-	-
Public Support - restricted:				
Contributions	-	-	-	-
Public Support - unrestricted:				
Contributions	-	-	-	-
Program Service Fees:				
Paid meals	-	-	-	-
Interest	-	-	-	-
Other	-	-	-	-
In-kind Contributions	-	-	-	-
Total revenues	505,565	505,565	505,565	-
EXPENDITURES				
Health, Welfare, & Social Services:				
Current:				
Salaries and wages	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating services	-	-	-	-
Operating supplies	-	-	-	-
Other cost	-	-	-	-
Kitchen operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	505,565	505,565	505,565	-
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	(505,565)	(505,565)
Total other financing sources (uses)	-	-	(505,565)	(505,565)
Net change in fund balance	\$ 505,565	\$ 505,565	\$ -	\$ (505,565)
Fund balances				
Beginning of year			-	
End of year			\$ -	

See accompanying notes to budgetary comparison schedules.

EAST BATON ROUGE COUNCIL ON AGING, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY REPORTING

June 30, 2022

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

The Council used the following procedures to derive the budgetary data which has been presented in these financial statements:

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award. GOEA awards funds for fiscal periods ending June 30th.
- The City of Baton Rouge notifies the Council each year as to the amount included in the City-Parish budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.
- The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Council's management prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31st of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs for the final approval.
- All budgetary appropriations for grants awarded to the Council by GOEA lapse at the end of each fiscal year (June 30), except for N.S.I.P. Cash in lieu of commodities funding which lapse at December 31st. Occasionally, the Council will receive a special project grant that may operate on a period different from the Council's normal fiscal year and, therefore, have a specified date where the budgetary appropriation will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amount and all subsequent amendments, which must also be adopted by the Board of Directors and approved by GOEA.

- 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 prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grants awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted line item by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- 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 THE GOEA

EAST BATON ROUGE COUNCIL ON AGING, INC.
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year ended June 30, 2022

	AAA Administration	Supplemental Senior Center	Title III D Wellness	Title III E Caregiver Support	Utility Assistance	Total
REVENUES						
Intergovernmental:						
Office of Elderly Affairs	\$ 151,774	\$ 67,119	\$ 20,429	\$ 140,230	\$ -	\$ 379,552
Public Support (restricted):						
Contributions	-	-	-	-	-	-
Public Support (unrestricted):						
Contributions	-	-	-	-	-	-
Fund raising	-	-	-	-	-	-
Program Service Fees:						
Paid meals	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-
Utility Assistance - Entergy	-	-	-	-	-	-
Other	-	-	-	-	-	-
In-kind Contributions	-	-	-	-	-	-
Total revenues	<u>151,774</u>	<u>67,119</u>	<u>20,429</u>	<u>140,230</u>	<u>-</u>	<u>379,552</u>
EXPENDITURES						
Health, Welfare, & Social Services:						
Current:						
Salaries and wages	61,589	-	-	-	-	61,589
Fringe	11,854	-	-	-	-	11,854
Travel	-	-	-	-	-	-
Operating services	35,132	-	-	-	-	35,132
Operating supplies	-	-	-	-	-	-
Other cost	6,705	-	-	-	-	6,705
Kitchen operations	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Utility Assistance	-	-	-	-	-	-
Total expenditures	<u>115,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,280</u>
Excess (deficiency) of revenues over expenditures	36,494	67,119	20,429	140,230	-	264,272
OTHER FINANCING SOURCES						
(USES)						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	(36,494)	(67,119)	(20,429)	(140,230)	-	(264,272)
Proceeds from long-term debt	-	-	-	-	-	-
Total other financing sources (uses)	<u>(36,494)</u>	<u>(67,119)</u>	<u>(20,429)</u>	<u>(140,230)</u>	<u>-</u>	<u>(264,272)</u>
Net change in fund balance	-	-	-	-	-	-
Fund balances						
Beginning of year	-	-	-	-	95,962	95,962
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,962</u>	<u>\$ 95,962</u>

EAST BATON ROUGE COUNCIL ON AGING, INC.
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

Year ended June 30, 2022

	Balance June 30, 2021	Additions/ Adjustments	Deletions	Balance June 30, 2022
CAPITAL ASSETS				
Vehicles	\$ 824,830	\$ 51,092	\$ -	\$ 875,922
Office furniture and equipment	1,565,197	1,554,517	(78,574)	3,041,140
Leasehold improvements	452,917	106,392	(201,097)	358,212
Buildings	6,649,014	4,950,695	-	11,599,709
TOTAL CAPITAL ASSETS	\$ 9,491,958	\$ 6,662,696	\$ (279,671)	\$ 15,874,983
INVESTMENT IN CAPITAL ASSETS				
Property acquired with funds from:				
General fund	\$ 9,321,379	\$ 6,662,696	\$ (279,671)	\$ 15,704,404
RSVP	-	-	-	-
PCOA	-	-	-	-
Title III C-1	7,658	-	-	7,658
Title III C-2	47,921	-	-	47,921
Donations from the general public	115,000	-	-	115,000
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 9,491,958	\$ 6,662,696	\$ (279,671)	\$ 15,874,983

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY THE
*UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND
AUDIT REQUIREMENTS FOR FEDERAL AWARDS***

EAST BATON ROUGE COUNCIL ON AGING, INC.
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	TOTAL FEDERAL EXPENDITURES
<u>United States Department of Health and Human Services</u>					
Passed through the Louisiana Governor's Office of Elderly Affairs: Special Programs for the Aging:					
Title III, Part B - Supportive Services and Senior Centers	93.044	720224	\$ 232,795	\$ 232,795	\$ 232,795
Title III, Part B - Supportive Services and Senior Centers - ARP	93.044	720224	107,690	107,690	107,690
Total Title III, Part B			340,485	340,485	340,485
Title III, Part C - Area Agency Administration	93.045	720224	86,460	86,460	86,460
Title III, Part C - Area Agency Administration - ARP	93.045	720224	27,371	27,371	27,371
Title III, Part C-1 - Nutrition Services Congregate Meals	93.045	720224	234,964	234,964	234,964
Title III, Part C-1 - Nutrition Services Congregate Meals - ARP	93.045	720224	35,989	35,989	35,989
Title III, Part C-2 - Nutrition Services Home Delivered Meals	93.045	720224	195,558	195,558	195,558
COVID 19 - Title III, Part C-2 - Nutrition Services Home Delivered Meals - CARES	93.045	720224	124,198	124,198	124,198
Title III, Part C-2 - Nutrition Services Home Delivered Meals - ARP	93.045	720224	105,238	105,238	105,238
Total Title III, Part C			809,778	809,778	809,778
Nutrition Services Incentive Program	93.053	720106	505,565	505,565	505,565
Total Aging Cluster			1,655,828	1,655,828	1,655,828
Title III, Part D - Disease Prevention and Health Promotion Services	93.043	720224	14,740	14,740	14,740
Title III, Part D - Disease Prevention and Health Promotion Services - ARP	93.043	720224	5,690	5,690	5,690
Total Title III, Part D			20,430	20,430	20,430
COVID-19 - CARES Act Vaccine Outreach	93.048		36,964	36,964	36,964
Medicare Improvements for Patients and Providers State Health Insurance Program (MIPSHIP)	93.071		100	100	100
Title III, Part E - National Family Caregiver Program	93.052	720224	93,045	93,045	93,045
Title III, Part E - National Family Caregiver Program - ARP	93.052	720224	12,128	12,128	12,128
Total Title III, Part E			105,173	105,173	105,173
Total United States Department of Health and Human Services			1,818,495	1,818,495	1,818,495
Total Federal Grants			<u>\$ 1,818,495</u>	<u>\$ 1,818,495</u>	<u>\$ 1,818,495</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

(1) GENERAL

The Council's schedule of expenditures of federal awards (SEFA) presents the activity of all federal financial assistance programs. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other agencies.

(2) BASIS OF ACCOUNTING

The Council's schedule of expenditures of federal awards is presented using the modified accrual basis of accounting, which is described in Note A to the Council's financial statements for the year ended June 30, 2022. The schedule details federal awards wherein revenues are recognized to the extent of expenditures.

(3) SUBRECIPIENTS

The Council did not pass-through any of its federal awards to a subrecipient during the year ended June 30, 2022.

(4) INDIRECT COST RATE

The Council has a negotiated indirect cost rate. The Council did not elect to use the 10% de minimis cost rate as allowed by 2 CFR 200.414 Indirect (F&A) costs.

(5) NON-CASH ASSISTANCE

No federal non-cash assistance was received or expended during the year ended June 30, 2022.

(6) RELATIONSHIP TO FINANCIAL STATEMENTS

The schedule of expenditures of federal awards was prepared from the same accounting records as were used to prepare the financial statements. Differences between amounts reported in the SEFA and the financial statements may exist due to different accounting bases used for financial reporting. These revenues are included within the intergovernmental revenues reported in the Statement of Revenue, Expenditures, and Changes in Fund Balances as follows:

Fund	Amount
General Fund	\$ 37,064
Title III B	340,485
Title III C-1	270,953
Title III C-2	424,994
NSIP	505,565
Non-Major	239,434
	\$ 1,818,495

SUPPLEMENTARY INFORMATION

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF COMPENSATION, BENEFITS & OTHER PAYMENTS
TO CHIEF EXECUTIVE OFFICER
Year ended June 30, 2022

Chief Executive Officer/Title: Tasha Clark-Amar, Executive Director

Purpose	Amount
Salary	\$ 147,821
Benefits - insurance	7,047
Retirement	4,434

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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 of
East Baton Rouge Council on Aging, Inc.
Baton Rouge, 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, each major fund and the aggregate remaining fund information of the East Baton Rouge Council on Aging, Inc. (the Council), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise East Baton Rouge Council on Aging, Inc.'s basic financial statements and have issued our report thereon dated December 27, 2022.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-02 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2022-01.

East Baton Rouge Council on Aging, Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Council's response to the findings identified in our audit is 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 it.

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.

S. A. Champagne & Co, LLP

Baton Rouge, Louisiana

December 27, 2022

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

To the Board of Directors of the
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited East Baton Rouge Council on Aging, Inc.'s (Council) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, 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.

S. A. Champagne & Co, LLP

Baton Rouge, Louisiana
December 27, 2022

EAST BATON ROUGE COUNCIL ON AGING, INC.
SUMMARY OF AUDIT RESULTS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of East Baton Rouge Council on Aging.
2. One significant deficiency, 2022-02 and no material weaknesses in internal controls related to the audit of the financial statements are reported in the "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 *Governmental Auditing Standards*."
3. One instance of noncompliance, 2022-01 material to the financial statements of East Baton Rouge Council on Aging was disclosed during the audit.
4. There are no significant deficiencies in internal controls relating to the audit of the major federal award programs included in the "Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance".
5. The auditor's report on compliance for the major federal award programs for East Baton Rouge Council on Aging expresses an unmodified opinion.
6. There are no audit findings relating to the major federal award programs for East Baton Rouge Council on Aging reported in Part C of this Schedule.
7. A management letter was not issued.
8. The program cluster tested as a major program is as follows:
 - U. S. Department of Health and Human Services
 - Aging Cluster - Special Programs for the Aging:
 - Title III-B – Supportive Services; CFDA 93.044
 - Title III-C- Nutrition Services; CFDA 93.045
 - N.S.I.P – Nutrition Services Incentive Program; CFDA 93.053
9. The threshold for distinguishing Types A and B programs was \$750,000.
10. East Baton Rouge Council on Aging was determined to be a low-risk auditee.

B: FINDINGS - FINANCIAL STATEMENTS AUDIT

COMPLIANCE

2022-01 Compliance with Operating Lease Terms

Condition: The Council's current fire and casualty insurance policy coverage is \$2.5 million. ***This is a repeat finding from the prior year.***

Criteria: Under the terms of the Council's lease agreement with the City of Baton Rouge for the building that houses the Council's main office, the Council is responsible to maintain fire and casualty insurance coverage in the amount of \$5 million.

Effect: The Council has not complied with the terms of the lease agreement. Non-compliance with the lease terms may result in monetary penalties and potential termination of the agreement.

Cause: The Council was unable to obtain insurance coverage in the specified amount because coverage is limited by insurance underwriters to the value of the facility.

Auditor's Recommendation: The Council should try to renegotiate the terms of its lease agreement with the City of Baton Rouge to modify the insurance coverage requirement.

Management Response: The Council has recently relocated to its new administrative and nutritional services building. Insurance coverage on the old City Parish building will end on December 31, 2022. Adequate coverage has been added for all properties of the Council.

INTERNAL CONTROL OVER FINANCIAL REPORTING

2022-02 Internal Control Over Credit Cards

Condition: The Council did not consistently monitor its internal controls related to credit card monthly statement reconciliation.

Criteria: Management is responsible 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.

Effect: Without proper monitoring, it may be more difficult to detect and prevent misuse of credit cards, such as unauthorized purchases or personal use of the cards.

Cause: The Council's policies and procedures for monitoring credit card reconciliation were not as comprehensive as they could have been.

Auditor's Recommendation: The Council's policies and procedures for monitoring credit card reconciliation should be further enhanced for greater effectiveness.

Management Response: The Council has reviewed the auditor’s recommendations and has taken steps to strengthen our internal controls. As a result, all staff have been trained on our revised procedures and controls. These measures will help to ensure that our organization is in compliance with best practices and is better equipped to prevent any potential issues.

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Special Programs for the Aging – Title IIB- Supportive Services; CFDA 93.044, Title IIC – Nutrition Services; CFDA 93.045, and N.S.I.P. – Nutrition Services Incentive Program; CFDA 93.053, year ended June 30, 2022

COMPLIANCE

No findings or deficiencies noted.



965 N. 18th Street
Baton Rouge, LA 70802
p 225.923.8000
www.ebrcoa.org



December 27, 2022

East Baton Rouge Council on Aging respectfully submits the following corrective action plan for the year ended June 30, 2022.

Name and Address of independent public accounting firm:

L.A. Champagne & Co., L.L.P.
4911 Bennington Avenue
Baton Rouge, LA 70808

Review period: fiscal year ended June 30, 2022

The findings from the fiscal year ended June 30, 2022 schedule of findings are discussed below. The findings are numbered consistently with the number assigned to the schedule.

FINANCIAL STATEMENT FINDINGS

COMPLIANCE

2022-01 Compliance with Operating Lease Terms

Condition: The Council's current fire and casualty insurance policy coverage is \$2.5 million. This is a repeat finding from the prior year.

Management Response: The Council has recently relocated to its new Administrative and Nutritional Services Building. Insurance coverage on the old City Parish building will end on December 31, 2022. Adequate coverage has been added for all properties of the Council.

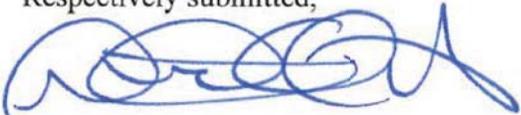
2022-02 Internal Control Over Credit Cards

Condition: The Council did not consistently monitor its internal controls related to credit card monthly statement reconciliation.

Management Response: The Council has reviewed the auditor's recommendations and has taken steps to strengthen our internal controls. As a result, all staff have been trained on our revised procedures and controls. These measures will help to ensure that our organization is in compliance with best practices and is better equipped to prevent any potential issues.

If there are any questions regarding this plan, please call me at 225-923-8000.

Respectively submitted,



Tasha Clark-Amar, Chief Executive Officer
East Baton Rouge Council on Aging, Inc.

EAST BATON ROUGE COUNCIL ON AGING, INC.
SCHEDULE OF CORRECTIVE ACTION TAKEN
ON PRIOR YEAR FINDINGS
Year Ended June 30, 2022

FINANCIAL STATEMENT FINDINGS

2020-1 Compliance with Operating Lease Terms

Repeated in current year findings as item 2022-01.



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the East Baton Rouge Parish Council on Aging, Inc. and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022 East Baton Rouge Parish Council on Aging, Inc. and is responsible for those C/C areas identified in the SAUPs.

East Baton Rouge Parish Council on Aging, Inc. 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 whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Results: No exceptions were found as a result of this procedure.
 - 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.
Results: No exceptions were found as a result of this procedure.
 - c) ***Disbursements***, including processing, reviewing, and approving.
Results: No exceptions were found as a result of this procedure.

- 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).

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

- 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.

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

- 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.

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

- 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).

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

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

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

- 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.

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

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

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

- 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.

Results: We performed the procedure and discussed the results with management.

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

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

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.

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

- b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *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.*

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

- 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.

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

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);

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

- 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

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

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

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

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).

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

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

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

- 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.

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

- 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.

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

- 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.

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

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

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

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.
Results: No exceptions were found as a result of this procedure.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Results: No exceptions were found as a result of this procedure.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
Results: No exceptions were found as a result of this procedure.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
Results: No exceptions were found as a result of this procedure.
 - e) Trace the actual deposit per the bank statement to the general ledger.
Results: No exceptions were found as a result of this procedure.

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).
Results: No exceptions were found as a result of this procedure.
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.
Results: No exceptions were found as a result of this procedure.
 - b) At least two employees are involved in processing and approving payments to vendors.
Results: No exceptions were found as a result of this procedure.

- 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.

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

- 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.

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

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

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

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

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

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

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.

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

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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [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.]

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

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

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

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 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.

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

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 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).

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

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

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

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

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

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

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

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

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

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

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

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

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

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

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

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.

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

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 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.)

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

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

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

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

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

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

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

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's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

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

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.

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

Ethics

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

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

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

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

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

Debt Service

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

Result: Not applicable as the Agency is a nonprofit organization.

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).

Result: Not applicable as the Agency is a nonprofit organization.

Fraud Notice

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

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

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

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

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.

Results: 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.

Results: 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.

Results: We performed the procedure and discussed the results with management.

Sexual Harassment

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

Result: Not applicable as the Agency is a nonprofit organization.

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

Result: Not applicable as the Agency is a nonprofit organization.

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

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

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

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or

compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

S. A. Champagne & Co, LLP

Baton Rouge, Louisiana

December 27, 2022