

**RED RIVER COUNCIL ON AGING, INC.
COUSHATTA, LOUISIANA**

**ANNUAL FINANCIAL REPORT
JUNE 30, 2024**

Red River Council on Aging, Inc.
Coushatta, Louisiana

TABLE OF CONTENTS

	<u>Exhibit/Schedule</u>	<u>Page</u>
Required Supplementary Information		
Management’s Discussion and Analysis	-	1-5
Independent Auditors’ Report	-	6-8
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Position	A	11
Statement of Activities	B	12
Fund Financial Statements		
Balance Sheet-Governmental Funds	C	14
Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds	D	15-16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	E	17
Notes to Financial Statements	-	19-33
Supplementary Financial Information Required by GASB 34		
Budgetary Comparison Schedule-General Fund	1	35
Budgetary Comparison Schedule-Title III C-1	2	36
Budgetary Comparison Schedule-Title III C-2	3	37
Notes to Required Supplementary Information	-	38
Supplementary Financial Information for GOEA Analysis		
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	4	40-41
Comparative Schedule of Capital Assets and Changes in Capital Assets	5	42
Supplementary Financial Information Required by Louisiana Law		
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	6	44

Red River Council on Aging, Inc.
Coushatta, Louisiana

TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
Other Reports/Schedules		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	--	46-47
Schedule of Audit Findings and Responses	7	48-49
Independent Accountant's Report on Applying Statewide Agreed-Upon Procedures	--	50-58

RED RIVER COUNCIL ON AGING, INC.

P. O. Drawer 688
Coushatta, LA 71019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the Red River 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, 2024. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements which follows this section.

Financial Highlights

- The Council showed a decrease in overall net position of \$31,805 or 5%.
- Net investment in capital assets of the Council increased by \$39,653 or 24%.
- Administrative expenses decreased by \$14,149 or 13%.
- The unassigned fund balance for the Council's General Fund decreased by \$4,669 at year end.
- Fund revenues increased by \$38,220 or 4%.
- Fund expenditures increased by \$106,175 or 11%.
- Deficit fund balances existed in five special revenue funds at year end.

Reporting the Council as a Whole Using Government-Wide Statements

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. These statements tell how these services were financed in the short-term as well as what remains for future spending.

The Statement of Net Position and the Statement of Activities include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide Statements report the Council's net position and changes in it. The Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position is one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial 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 Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services it provides 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.

Reporting the Council's Funds Using Fund Financial Statements

The Fund Financial Statements can be found on pages 14-17 and provide detailed information about the funds. In the Fund Financial Statements you will see a General Fund and a variety of 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 Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the council's programs. The difference between the net position of governmental activities and the fund balances of the governmental funds are in a reconciliation at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net position for the governmental activities has been presented in a reconciliation on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds.

Notes to 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 on pages 19-33. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Financial Information Required by GASB Statement 34

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 annual budget. The schedules compare the original and final appropriated budgets to actual results for the Council's fiscal year. We have also opted to present positive and negative variances between the final budget and actual amounts.

The Council's General Fund budget was amended during the year.

The actual revenues in the General Fund were \$7,714 more than the final budgeted amounts and the actual expenditures were \$7,383 more than the final budgeted amounts.

For the year ended June 30, 2024, General Fund revenues and expenditures were within the 5% variance allowed.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement No. 34. However, it is presented as the first item in this reporting package and not with the other RSI required by GASB Statement No. 34.

Other Supplementary Financial Information Required by GOEA

The Council has also presented other required supplementary information in this report package.

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules the information on pages 40 through 42. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

Supplementary Information Required by State Law

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513(A)(3) to require a supplementary Schedule of Compensation, Reimbursements, Benefits and Other Payments to the Agency Head or Chief Executive Officer. This information is designed to permit the public to see what the agency's head has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

An Analysis of the Council as a Whole Using Government-Wide Financial Statements

The following reflects condensed information on the Council's net position as of June 30, 2024 and June 30, 2023:

	<u>2024</u>	<u>2023</u>
Assets:		
Cash & Cash Equivalents	\$468,201	\$530,141
Revenue Receivables	25,028	7,728
Capital Assets, Net	<u>202,787</u>	<u>163,134</u>
Total Assets	<u>\$696,016</u>	<u>\$701,003</u>
Liabilities:		
Cash Overdraft	\$ 6,299	\$ 9,862
Accounts Payable	25,507	5,275
Compensated Absences	<u>55,328</u>	<u>45,179</u>
Total Liabilities	<u>\$ 87,134</u>	<u>\$ 60,316</u>
Net Position:		
Net Investment in Capital Assets	\$202,787	\$163,134
Unrestricted	<u>406,095</u>	<u>477,553</u>
Total Net Position	<u>\$608,882</u>	<u>\$640,687</u>

As of June 30, 2024, the Council "as a whole" had assets greater than its liabilities by \$608,882. This is a decrease of \$31,805 from prior year.

Summary of Statement of Activities

	<u>2024</u>	<u>2023</u>
Revenues:		
Program Revenues-		
Operating Grants and Contributions	\$ 708,235	\$720,081
General Revenues-		
Ad Valorem Taxes	<u>283,337</u>	<u>233,271</u>
Total Revenues	<u>\$ 991,572</u>	<u>\$953,352</u>
 Program Expenses of the Health, Welfare, and Social Services Function:		
Supportive Services-		
Other Supportive Services	\$ 417,097	\$388,060
Homemaker	57,223	28,580
Information and Assistance	7,227	5,783
Legal Assistance	0	706
Outreach	2,487	2,918
Transportation	24,843	37,370
Nutrition Services-		
Congregate Meals	200,743	185,181
Home Delivered Meals	215,319	209,913
Utility Assistance	1,029	382
Disease Prevention and Health Promotion	5,282	8,388
Administration Expenses	<u>92,127</u>	<u>106,276</u>
Total Expenses	<u>\$1,023,377</u>	<u>\$973,557</u>
 Change in Net Position	 <u>\$ (31,805)</u>	 <u>\$ (20,205)</u>

The Council's total revenues increased by \$38,220 or 4% from the prior year. Total expenses increased by \$49,820 or 5% from the prior year.

Capital Assets

The Council's investments in capital assets for its governmental activities as of the end of this year and last year are illustrated in the following table.

	<u>Capital Assets, Net of Depreciation</u>		
	<u>2024</u>	<u>2023</u>	<u>Increase/ (Decrease)</u>
Buildings	\$ 3,238	\$ 3,734	\$ (496)
Furniture & Equipment	6,285	9,137	(2,852)
Building Improvements	176,307	120,101	56,206
Vehicles	16,957	30,162	(13,205)
	<u>\$202,787</u>	<u>\$163,134</u>	<u>\$ 39,653</u>

This year the Council's asset additions included a new walkway cover, new roof and gutters, as well as a remodel of the kitchen. The Council did not dispose of any assets in the current year.

An Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. The amount of funds available from most of the grants remains rather constant from year to year; however, some grant amounts may change based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services.

Economic Factors and Next Year's Budgets

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

- Consideration of the proceeds to be received from property tax revenues.
- Consideration of other funding from the GOEA, other grants and private contributions.
- Salaries based on the number of employees needed to provide services and the related fringe benefits.
- The extent of travel reimbursements.
- The demand for particular services the Council provides and related costs.
- Estimate of operating supplies needed to perform necessary services.
- The need to purchase new or replacement vehicles and other capital assets.

The Council receives most of its funding from federal, state and local agencies, as well as its property tax. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the council, and therefore, revenues may vary from year to year. Management is not aware of any significant increases or decreases associated with any of the usual revenue sources that will impact next year's budget.

Contacting the Council's Management

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Elizabeth Cannon, Executive Director, P. O. Drawer 688, Coushatta, Louisiana 71019.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Red River Council on Aging, Inc.
Coushatta, Louisiana 71019

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Red River Council on Aging, Inc. (Council) as of and for the year ended June 30, 2024, 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, major funds, and the aggregate remaining fund information of the Council as of June 30, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. 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 related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (pages 1 through 5) and budgetary comparison information (pages 35 through 38) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and 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 accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds, and the Comparative Schedule of Capital Assets and Changes in Capital Assets are presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA). In addition, Louisiana Revised Statute 24:513(A)(3), as amended, requires the Council to present a supplementary schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer for purposes of additional analysis for the fiscal year. These schedules are not a required part of the basic financial statements.

This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this supplementary information is 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 November 13, 2024, 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Louisiana Legislative Auditor, we have issued a report, dated November 13, 2024, on the results of our statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's state wide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

November 13, 2024
Natchitoches, Louisiana

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Red River Council on Aging, Inc.
Statement of Net Position
June 30, 2024

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash & Cash Equivalents	\$468,201
Revenue Receivable	25,028
Noncurrent Assets-	
Capital Assets, Net of Accumulated Depreciation	<u>202,787</u>
Total Assets	<u>\$696,016</u>
LIABILITIES:	
Current Liabilities-	
Cash Overdraft	\$ 6,299
Accounts Payable	25,507
Noncurrent Liabilities-	
Accrued Compensated Absences	<u>55,328</u>
Total Liabilities	<u>\$ 87,134</u>
NET POSITION:	
Net Investment in Capital Assets	\$202,787
Unrestricted	<u>406,095</u>
Total Net Position	<u>\$608,882</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Government-Wide Statement of Activities
For the Year Ended June 30, 2024

Function/Program Activities	Direct Expenses	Indirect Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
			Charges for Services	Operating Grants and Contributions	
Governmental Activities:					
Health, Welfare & Social Services-					
Supportive Services-					
Title III-B-					
Information & Assistance	\$ 6,143	\$ 1,084	\$0	\$ 4,859	\$ (2,368)
Transportation	21,117	3,726	0	16,704	(8,139)
Homemaker	48,963	8,260	0	38,476	(18,747)
Legal Assistance	0	0	0	0	0
Outreach	2,114	373	0	1,673	(814)
Nutrition Services-					
Congregate Meals (C-1)	156,725	44,018	0	88,826	(111,917)
Home Delivered Meals (C-2)	169,496	45,823	0	107,213	(108,106)
Multipurpose Senior Center	53,404	0	0	64,653	11,249
Area Agency Administration	25,032	0	0	26,807	1,775
Adult Daycare (XIX)	167,185	0	0	110,928	(56,257)
Utility Assistance Fund	1,029	0	0	818	(211)
National Family Caregiver Support	18,419	3,214	0	17,942	(3,691)
Disease Prevention & Health Promotion	5,282	0	0	5,869	587
Nutritional Services Incentives Program	0	0	0	21,583	21,583
STPH Nutrition Services	2,548	0	0	2,548	0
Section 5311	147,665	0	0	79,959	(67,706)
Administration	<u>91,757</u>	<u>0</u>	<u>0</u>	<u>119,377</u>	<u>27,620</u>
Total Governmental Activities	<u>\$916,879</u>	<u>\$106,498</u>	<u>\$0</u>	<u>\$708,235</u>	<u>\$(315,142)</u>
General Revenues:					
Taxes-					
Ad Valorem					
\$ 283,337					
Grants and Contributions not restricted to specific programs					
<u>0</u>					
Total General Revenues					
<u>\$ 283,337</u>					
Change in Net Position					
\$ (31,805)					
Net Position June 30, 2023					
<u>640,687</u>					
Net Position June 30, 2024					
<u>\$ 608,882</u>					

See independent auditors' report and notes to financial statements.

FUND FINANCIAL STATEMENTS

Red River Council on Aging, Inc.
Balance Sheet-Governmental Funds
June 30, 2024

	Major Funds						Total Governmental Funds
	General Fund	Title III C-1	Title III C-2	Section 5311	Adult Daycare	Non-Major Funds	
Assets:							
Cash & Cash Equivalents	\$456,789	\$2,641	\$5,892	\$ 0	\$ 0	\$2,879	\$468,201
Revenue Receivable	<u>4,536</u>	<u>2,399</u>	<u>2,941</u>	<u>10,521</u>	<u>2,421</u>	<u>2,210</u>	<u>25,028</u>
Total Assets	<u>\$461,325</u>	<u>\$5,040</u>	<u>\$8,833</u>	<u>\$10,521</u>	<u>\$2,421</u>	<u>\$5,089</u>	<u>\$493,229</u>
Liabilities:							
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 3,170	\$2,255	\$ 874	\$ 6,299
Accounts Payable	<u>5,858</u>	<u>5,040</u>	<u>8,833</u>	<u>1,587</u>	<u>166</u>	<u>4,023</u>	<u>25,507</u>
Total Liabilities	<u>\$ 5,858</u>	<u>\$5,040</u>	<u>\$8,833</u>	<u>\$ 4,757</u>	<u>\$2,421</u>	<u>\$4,897</u>	<u>\$ 31,806</u>
Fund Balances:							
Restricted for:							
Caregiver Support	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 192	\$ 192
Public Transportation	0	0	0	5,764	0	0	5,764
Unassigned	<u>455,467</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>455,467</u>
Total Fund Balance	<u>\$455,467</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,764</u>	<u>\$ 0</u>	<u>\$ 192</u>	<u>\$461,423</u>
Total Liabilities and Fund Balance	<u>\$461,325</u>	<u>\$5,040</u>	<u>\$8,833</u>	<u>\$10,521</u>	<u>\$2,421</u>	<u>\$5,089</u>	<u>\$493,229</u>

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total Governmental Fund Balance at June 30, 2024:	\$461,423
- Compensated absences are not paid out of current financial resources and therefore are not reported as liabilities in the governmental funds	(55,328)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	<u>202,787</u>
Net Position of Governmental Activities at June 30, 2024	<u>\$608,882</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Statement of Revenues, Expenditures,
and Changes in Fund Balances-Governmental Funds
For the Year Ended June 30, 2024

	Major Funds						Total Governmental Funds
	General Fund	Title III C-1	Title III C-2	Section 5311	Adult Daycare	Non-Major Funds	
REVENUES:							
Taxes-							
Ad Valorem Tax	\$ 283,337	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 283,337
Intergovernmental-							
Governor's Office of Elderly Affairs	100,000	27,765	45,297	0	0	148,897	321,959
La. Dept. of Health & Hospitals	0	0	0	0	110,928	0	110,928
La. Dept. of Transportation	0	0	0	73,935	0	0	73,935
LGAP	12,500	0	0	0	0	0	12,500
American Rescue Plan Act	0	7,253	15,879	0	0	31,167	54,299
Miscellaneous							
Other/Local Funds	0	0	0	0	0	0	0
Participant Contributions	6,877	48,738	41,857	6,024	0	4,868	108,364
In-kind Contributions	<u>0</u>	<u>5,070</u>	<u>4,180</u>	<u>0</u>	<u>0</u>	<u>17,000</u>	<u>26,250</u>
Total Revenues	<u>\$ 402,714</u>	<u>\$ 88,826</u>	<u>\$ 107,213</u>	<u>\$ 79,959</u>	<u>\$ 110,928</u>	<u>\$ 201,932</u>	<u>\$ 991,572</u>
EXPENDITURES:							
321959							
Current-							
Salaries	\$ 0	\$ 84,425	\$ 92,195	\$ 96,445	\$ 141,664	\$ 88,496	\$ 503,225
Fringe	0	6,459	7,053	7,378	10,837	6,152	37,879
Meals-							
Raw Food	8,382	63,163	69,142	0	2	0	140,689
Non-Edibles	217	10,051	10,049	0	0	0	20,317
Travel	5,551	0	0	0	0	4,998	10,549
Operating Services	17,461	23,483	24,607	38,539	8,704	64,804	177,598
Operating Supplies	20,760	133	114	110	0	8,388	29,505
Other Cost	35,770	525	525	320	600	0	37,740
In-Kind Expenses	0	5,070	4,180	0	0	17,000	26,250
Capital Outlay	<u>69,129</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>69,129</u>
Total Expenditures	<u>\$ 157,270</u>	<u>\$ 193,309</u>	<u>\$ 207,865</u>	<u>\$ 142,792</u>	<u>\$ 161,807</u>	<u>\$ 189,838</u>	<u>\$ 1,052,881</u>
Excess (Deficiency) of							
Revenues over Expenditures	<u>\$ 245,444</u>	<u>\$(104,483)</u>	<u>\$(100,652)</u>	<u>\$(62,833)</u>	<u>\$(50,879)</u>	<u>\$ 12,094</u>	<u>\$(61,309)</u>

Continued next page

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Statement of Revenues, Expenditures,
and Changes in Fund Balances-Governmental Funds (continued)
For the Year Ended June 30, 2024

	Major Funds						Total Governmental Funds
	<u>General Fund</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Section 5311</u>	<u>Adult Daycare</u>	<u>Non-Major Funds</u>	
OTHER FINANCING SOURCES (USES):							
Operating Transfers In	\$ 0	\$ 104,997	\$ 104,029	\$ 0	\$ 75,488	\$ 22,929	\$ 307,443
Operating Transfers Out	<u>(250,113)</u>	<u>0</u>	<u>(225)</u>	<u>0</u>	<u>(24,609)</u>	<u>(32,496)</u>	<u>(307,443)</u>
Total Other Financing Sources (Uses)	<u>\$(250,113)</u>	<u>\$ 104,997</u>	<u>\$ 103,804</u>	<u>\$ 0</u>	<u>\$ 50,879</u>	<u>\$ (9,567)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (4,669)	\$ 514	\$ 3,152	\$ (62,833)	\$ 0	\$ 2,527	\$ (61,309)
FUND BALANCES:							
Beginning of Year	<u>460,136</u>	<u>(514)</u>	<u>(3,152)</u>	<u>68,597</u>	<u>0</u>	<u>(2,335)</u>	<u>522,732</u>
End of Year	<u>\$ 455,467</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,764</u>	<u>\$ 0</u>	<u>\$ 192</u>	<u>\$ 461,423</u>

See independent auditors' report and notes to financial statements.

Red River 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
For the Year Ended June 30, 2024

Net change in Fund Balance - Governmental Funds	\$(61,309)
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 these assets is allocated over their estimated useful lives as depreciation expense. The cost of capital assets recorded in the current period is	69,129
The following are reported in the Government-wide financial statements, but do not require the use of current financial resources and are not reported in the Fund Financial Statements.	
Depreciation Expense	(29,476)
Change in Accrued Compensated Absences	<u>(10,149)</u>
Increase in Net Position of Governmental Activities	<u>\$(31,805)</u>

See independent auditors' report and notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

Introduction

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 Red River Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) 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.

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

1. Summary of Significant Accounting Policies:

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. However, before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by the policies and regulations established by GOEA.

The Red River Council on Aging is a legally separate, non-profit, quasi-public corporation. A board of directors, consisting of 12 voluntary members, who serve three-year terms, governs the Council.

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

Based on the criteria set forth in GASB Statement No. 14, the Red River Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-government that has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

A. Reporting Entity (continued)

entity, determine or modify its own budget, set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

B. Basis of Presentation

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Government-Wide Financial Statements

The Council's basic financial statements include both Government-Wide and Fund Financial Statements. Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities.

In the Government-Wide Statement of Net Position, the governmental type activities column is presented on a consolidated basis by column, and is reported 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 - net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net position consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position includes all other net resources that do not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies unrestricted resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

B. Basis of Presentation (continued)

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, 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 then reduces the expenses by related program revenues, such as operating and capital grants and 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.

The Council allocates its indirect costs among various functions and programs in accordance with 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses." In addition, GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net position resulting from the current year's activities.

C. Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. 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. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance - amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact.
- b. Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

C. Fund Financial Statements (continued)

- c. Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- d. Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance - amounts that are available for any purpose. Only the General Fund would report positive amounts in unassigned fund balance.

The General Fund has an unassigned fund balance of \$455,467. If applicable, the Council would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

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

The General Fund

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

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Major Special Revenue Funds

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.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

C. Fund Financial Statements (continued)

Section 5311 Fund

The Section 5311 Fund was established to account for funds under the U.S. Department of Transportation's Public Transportation for Nonurbanized Areas - Section 5311 Program. The Louisiana Department of Transportation and Development (DOTD) receives these funds for the State of Louisiana and passes them through to the Council via the Red River Parish Police Jury. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within Red River Parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs that it did not spend cash for. Section 5311 funds are used as operating transfers to help pay for costs incurred in providing transportation services under the Council's various transportation programs.

Title XIX Adult Daycare Program

The Adult Daycare Program is used to provide adult daycare to the elderly.

Non-Major Special Revenue Funds

Title III C Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administrating the Council's programs. Each fiscal year GOEA provides the Council with funds to help pay for the costs of administering the council's special programs for the elderly. The amount of funding is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

Title III D Fund

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities.

Title III E Fund

The Title III E Fund accounts for the resources and activities of the National Family Caregiver Support Program. The purpose of the program is to provide multifaceted systems of support services for the family caregivers and of older individuals who are relative caregivers.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

C. Fund Financial Statements (continued)

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 GOEA, which in turn “passes through” the funds to the council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Title III B Fund

The Title III B Fund is used to account for funds which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on aging to provide assistance to the elderly for the payment of utility bills.

N.S.I.P. Fund

The Nutritional Services Incentive Program Fund is used to account for the administration of Nutrition Program for the Elderly funds provided through the Governor’s Office of Elderly Affairs, which in turn “passes through” the funds to the Council.

STPH Fund

This fund is used to account for the administration of the STPH - Expanding the Public Health Workforce Program for the Aging, provided through the Governor’s Office of Elderly Affairs. The purpose of this funding is to recruit, hire and train public health workers to respond to COVID-19 and prepare for future public health challenges.

Supplemental Senior Center Fund

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council’s primary grant for senior center operations and activities.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual Basis - Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues “available” if collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

E. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-Wide Financial Statements.

F. Impact of Recently Issued Accounting Principles

GASB Statement No. 100, “*Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62*” was issued in June, 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and further describes the transactions or other events that constitute those changes. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023. The Council adopted this standard

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

F. Impact of Recently Issued Accounting Principles (continued)

effective July 1, 2023, and has determined that it had no effect on the financial statements for the year ended June 30, 2024.

GASB Statement No. 101, “*Compensated Absences*” was issued in June, 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. This Statement further defines whether a liability for certain types of compensated absences should not be recognized until the leave commences or until the leave is used. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Council is considering the potential effect of this Statement on future financial statements.

G. Cash and Cash Equivalents

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

H. 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.

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

Building Improvements	20 years	Vehicles	5 years
Equipment	5-7 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.

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

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

I. Allocation of Indirect Expenses

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

J. Management's Use of Estimates

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

K. Compensated Absences

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

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

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

L. Elimination and Reclassifications

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

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

2. Budgets and Budgetary Accounting:

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

1. The Governor's Office of Elderly Affairs (GOEA) and other funding agencies notify the Council each year as to the funding levels for each program's grant award.
2. The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.
3. The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
4. The adopted budget is forwarded to the Governor's Office of Elderly Affairs or other appropriate funding agency for final approval.
5. Most budgetary appropriations lapse at the end of each fiscal year (June 30).
6. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
7. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
8. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
9. The Council may transfer funds between line items as often as required but must obtain prior approval from the respective funding agency for funds received under grants from each agency.

3. Cash in Bank:

The Council maintains a consolidated bank account that is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

The cash and cash equivalents of the Council are subject to the following risk:

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Council will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Commission that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Council's name.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

3. Cash in Bank (continued):

At year-end, the carrying amount of the Council's cash balances on the books was \$461,902, including \$6,299 in overdrafts in the following funds:

AAA	\$ 410
Title III B	269
Title III D	195
Section 5311	3,170
ADHC	<u>2,255</u>
Total Overdrafts	<u>\$6,299</u>

The related bank cash balances totaled \$462,509. The difference in the book and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by year-end. \$250,000 of bank balances were covered by federal depository insurance, and the exceeding amount of \$212,509 was secured by a direct standby letter of credit issued by FHL Bank of Dallas.

4. Revenue Receivable:

Revenue receivable of \$25,028 at June 30, 2024, included the following funds:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Section 5311	5311	DOTD	\$10,521
Title III C-1 Congregate Meals	C-1	GOEA	2,399
Title III C-2 Home Delivered Meals	C-2	GOEA	2,941
Title III B Supportive Services	III-B	GOEA	1,088
Title III E Caregiver Support	III-E	GOEA	430
Title III D Disease Prevention	III-D	GOEA	195
Area Agency Administration	AAA	GOEA	497
Adult Day Health Care	ADHC	LDH	2,421
Millage Tax	General	Millage	<u>4,536</u>
Total Revenue Receivable			<u>\$25,028</u>

5. Capital Assets:

A summary of changes in capital assets is as follows:

<u>Activities</u>	<u>07-01-23</u>	<u>Additions</u>	<u>Deletions</u>	<u>06-30-24</u>
Capital Assets Depreciated:				
Buildings	\$112,531	\$ 0	\$ 0	\$112,531
Furniture & Equipment	90,871	0	0	90,871
Building Improvements	463,518	69,129	0	532,647
Vehicles	<u>189,284</u>	<u>0</u>	<u>0</u>	<u>189,284</u>
Total Assets	<u>\$856,204</u>	<u>\$69,129</u>	<u>\$ 0</u>	<u>\$925,333</u>
Less, Accumulated Depreciation:				
Buildings	\$108,797	\$ 496	\$ 0	\$109,293
Furniture & Equipment	81,734	2,852	0	84,586
Building Improvements	343,417	12,923	0	356,340
Vehicles	<u>159,122</u>	<u>13,205</u>	<u>0</u>	<u>172,327</u>
Total Accumulated Depreciation	<u>\$693,070</u>	<u>\$29,476</u>	<u>\$ 0</u>	<u>\$722,546</u>
Net Capital Assets	<u>\$163,134</u>	<u>\$39,653</u>	<u>\$ 0</u>	<u>\$202,787</u>

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

5. Capital Assets (continued):

Depreciation expense for the year ended June 30, 2024, was charged as follows:

Local	\$ 3,986
Multipurpose Senior Centers	539
Nutrition Services:	
Congregate Meals (C-1)	3,723
Home Delivered Meals (C-2)	3,720
Supportive Services	9,248
Section 5311	3,957
Adult Daycare - Title XIX	<u>4,303</u>
Total	<u>\$29,476</u>

The Council's management has reviewed the capital assets and does not believe any of them are impaired. None of the above amounts include any donated assets.

6. Interfund Transfers:

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of governmental funds. The following is a summary of interfund operating transfers:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 0	\$250,113
Special Revenue Funds-		
Title III C-1	104,997	0
Title III C-2	104,029	225
Title XIX - Adult Daycare	75,488	24,609
Supplemental Senior Center	0	3,100
Multipurpose Senior Centers	0	7,813
Supportive Services	21,602	0
Caregiver Services	31	0
Disease Prevention	376	0
Area Agency Administration	920	
Utility Services	0	0
Nutritional Services Incentives	<u>0</u>	<u>21,583</u>
Totals	<u>\$307,443</u>	<u>\$307,443</u>

Transfers are used (1) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to utilize unrestricted revenues collected in the other funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

7. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Council in June or July and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are recognized as revenue when billed.

The Red River Parish Sheriff's Office bills and collects property tax for the Council. Collections are remitted to the Council monthly.

Property Tax Calendar

Assessment date	January 1
Levy date	June 30
Tax bills mailed	October 15
Total taxes are due	December 31
Penalties and interest added	January 31
Lien date	January 31
Tax Sale	May 15

The Council is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose after the approval by the voters of the Parish. Assessed values are established by the Red River Parish Tax Assessor each year on a uniform basis at the following ratios to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

For the tax year 2023, taxes of 0.99 mills were levied on property with an assessed valuation totaling \$296,619,689 and were dedicated to the Council on Aging's senior citizen programs. Louisiana law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead valuation was a total of \$11,953,543 of the assessed value.

Total taxes collected were \$283,337 after small adjustments were made to the original tax roll. The current ten-year millage was approved by voters December 6, 2014, and is scheduled to expire in 2025 unless a renewal is approved by the voters in the March, 2025 election.

Tax Abatement –

The Louisiana Industrial Ad Valorem Tax Exemption program (Louisiana Administrative Code, Title 13, Chapter 5) is a state incentive program which abates, up to ten years, local ad valorem taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. Applications to exempt qualified property for five years are approved by the Louisiana Economic Development's Board of Commerce and Industry. The exemption may be renewed for an additional five years. Under agreements entered into by the State of Louisiana, through the Louisiana Industrial Ad Valorem Tax Exemption program, the ad valorem tax revenues for the Red River Council on Aging were reduced by \$144 for the calendar year ending December 31, 2023.

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

8. Changes in General Long-Term Obligations - Compensated Absences:

The following is a summary of the changes in long-term obligations for accrued compensated absences for the year ended June 30, 2024:

Long-term obligations	
Payable at July 1, 2023	\$45,179
Net Change	<u>10,149</u>
Long-term obligations	
Payable at June 30, 2024	<u>\$55,328</u>

9. Board of Directors' Compensation:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

10. In-Kind Contributions:

The Council received \$26,250 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 income (loss) in the governmental fund types.

11. Line of Credit:

The Council's board of directors has approved a \$50,000 line of credit with the Council's bank, which is to be used in the event grant funds are not received timely. During the fiscal year ending June 30, 2024, the Council made no draws on the line of credit and there was no balance due.

12. Income Tax Status:

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council files a Form 990 *Return of Organization Exempt from Income Tax* which is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

13. Economic Dependency:

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

Red River Council on Aging, Inc.
Notes to Financial Statements
June 30, 2024

14. Risk Management:

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

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of business interruption and certain acts of nature, like floods or earthquakes. The Council's management is not aware of any potential judgments or claims pending at year end.

15. Contingencies:

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired.

In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

16. Related Party Transactions:

Procedures, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 2024.

17. Subsequent Events:

Management has evaluated events through November 13, 2024, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

SUPPLEMENTARY FINANCIAL INFORMATION
REQUIRED BY GASB 34

Red River Council on Aging, Inc.
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes-				
Ad Valorem Tax	\$ 225,000	\$ 275,000	\$ 283,337	\$ 8,337
Intergovernmental-				
Governor's Office of Elderly Affairs	100,000	100,000	100,000	0
LGAP	0	12,500	12,500	0
Miscellaneous-				
Donations	<u>20,000</u>	<u>7,500</u>	<u>6,877</u>	<u>(623)</u>
Total Revenues	<u>\$ 345,000</u>	<u>\$ 395,000</u>	<u>\$ 402,714</u>	<u>\$ 7,714</u>
EXPENDITURES:				
Current -				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Fringe	0	0	0	0
Travel	2,000	2,000	5,551	(3,551)
Operating Services	35,000	20,000	17,461	2,539
Operating Supplies	42,000	30,000	29,359	641
Other Costs	20,000	35,000	35,770	(770)
Capital Outlay	<u>21,000</u>	<u>68,000</u>	<u>69,129</u>	<u>(1,129)</u>
Total Expenditures	<u>\$ 120,000</u>	<u>\$ 155,000</u>	<u>\$ 157,270</u>	<u>\$(2,270)</u>
Excess of Revenues over Expenditures	<u>\$ 225,000</u>	<u>\$ 240,000</u>	<u>\$ 245,444</u>	<u>\$ 5,444</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 2,000	\$ 0	\$ 0	\$ 0
Operating Transfers (Out)	<u>(220,000)</u>	<u>(245,000)</u>	<u>(250,113)</u>	<u>(5,113)</u>
Total Other Financing Uses	<u>\$(218,000)</u>	<u>\$(245,000)</u>	<u>\$(250,113)</u>	<u>\$(5,113)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 7,000	\$ (5,000)	\$ (4,669)	\$ 331
Fund Balance-Beginning of Year	<u>460,136</u>	<u>460,136</u>	<u>460,136</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 467,136</u>	<u>\$ 455,136</u>	<u>\$ 455,467</u>	<u>\$ 331</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Title III C-1 (Congregate Meals)
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental-				
Office of the Governor-GOEA	\$ 27,765	\$ 27,765	\$ 27,765	\$ 0
American Rescue Plan Act	5,819	5,819	7,253	1,434
Miscellaneous-				
Participant Contributions	35,360	46,898	48,738	1,840
In-kind Contributions	<u>5,070</u>	<u>5,070</u>	<u>5,070</u>	<u>0</u>
Total Revenues	<u>\$ 74,014</u>	<u>\$ 85,552</u>	<u>\$ 88,826</u>	<u>\$ 3,274</u>
EXPENDITURES:				
Current-				
Salaries	\$ 86,240	\$ 84,117	\$ 84,425	\$ (308)
Fringe	6,835	6,667	6,459	208
Travel	0	0	0	0
Operating Services	24,685	24,321	23,483	838
Operating Supplies	65,104	65,102	67,528	(2,426)
Other Costs	525	525	525	0
American Rescue Plan Act Costs	5,736	5,819	5,819	0
In-kind Expenses	<u>5,070</u>	<u>5,070</u>	<u>5,070</u>	<u>0</u>
Total Expenditures	<u>\$ 194,195</u>	<u>\$ 191,621</u>	<u>\$ 193,309</u>	<u>\$(1,688)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(120,181)</u>	<u>\$(106,069)</u>	<u>\$(104,483)</u>	<u>\$ 1,586</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	<u>\$ 120,181</u>	<u>\$ 106,069</u>	<u>\$ 104,997</u>	<u>\$(1,072)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ 514	\$ 514
Fund Balance-Beginning of Year	<u>(514)</u>	<u>(514)</u>	<u>(514)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$(514)</u>	<u>\$(514)</u>	<u>\$ 0</u>	<u>\$ 514</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Title III C-2 (Home-Delivered Meals)
Budgetary Comparison Schedule
For the Year Ended June 30, 2024

	Budget		Actual	Variance Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental-				
Office of the Governor-GOEA	\$ 45,297	\$ 45,297	\$ 45,297	\$ 0
American Rescue Plan Act	12,727	12,727	15,879	3,152
Miscellaneous-				
Participant Contributions	45,901	41,000	41,857	857
In-kind Contributions	<u>4,180</u>	<u>4,180</u>	<u>4,180</u>	<u>0</u>
Total Revenues	<u>\$ 108,105</u>	<u>\$ 103,204</u>	<u>\$ 107,213</u>	<u>\$ 4,009</u>
EXPENDITURES:				
Current-				
Salaries	\$ 94,013	\$ 91,889	\$ 92,195	\$ (306)
Fringe	7,451	7,283	7,053	230
Travel	0	0	0	0
Operating Services	25,900	25,534	24,607	927
Operating Supplies	65,109	65,108	66,578	(1,470)
American Rescue Plan Act Costs	12,608	12,727	12,727	0
Other Costs	525	525	525	0
In-kind Expenses	<u>4,180</u>	<u>4,180</u>	<u>4,180</u>	<u>0</u>
Total Expenditures	<u>\$ 209,786</u>	<u>\$ 207,246</u>	<u>\$ 207,865</u>	<u>\$ (619)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$(101,681)</u>	<u>\$(104,042)</u>	<u>\$(100,652)</u>	<u>\$ 3,390</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 101,681	\$ 104,042	\$ 104,029	\$ (13)
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>(225)</u>	<u>(225)</u>
Total Other Financing	<u>\$ 101,681</u>	<u>\$ 104,042</u>	<u>\$ 103,804</u>	<u>\$ (238)</u>
Excess of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ 3,152	\$ 3,152
Fund Balance-Beginning of Year	<u>(3,152)</u>	<u>(3,152)</u>	<u>(3,152)</u>	<u>0</u>
Fund Balance-End of Year	<u>\$(3,152)</u>	<u>\$(3,152)</u>	<u>0</u>	<u>\$ 3,152</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Notes to Required Supplementary Information
Year Ended June 30, 2024

Note 1. Budgetary Comparison Schedules

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

Budgetary Comparison Schedules are not presented for the Section 5311 and Adult Daycare funds as the Council is not legally required to adopt a budget for these funds.

For the year ended June 30, 2024, the Title III C-1 fund presents a \$104,483 excess of expenditures over appropriations, and the Title III C-2 fund presents a \$100,652 excess of expenditures over appropriations. These excesses are covered by transfers in from the Millage Tax fund.

SUPPLEMENTARY FINANCIAL INFORMATION
FOR GOEA ANALYSIS

Red River Council on Aging, Inc.
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	Supplemental Senior Center	Multipurpose Senior Centers	Supportive Services	Caregiver Support	Disease Prevention and Health Promotion
REVENUES:					
Intergovernmental-					
Office of the Governor-GOEA	\$ 3,100	\$57,813	\$ 35,080	\$13,141	\$2,929
American Rescue Plan Act	0	0	16,572	4,801	2,890
Miscellaneous-					
Participant Contributions	0	0	4,050	0	0
Other/Local Funds	0	0	0	0	0
In-kind Contributions	<u>0</u>	<u>3,740</u>	<u>6,010</u>	<u>0</u>	<u>50</u>
Total Revenues	<u>\$ 3,100</u>	<u>\$61,553</u>	<u>\$ 61,712</u>	<u>\$17,942</u>	<u>\$5,869</u>
EXPENDITURES:					
Current-					
Salaries	\$ 0	\$21,710	\$ 42,876	\$10,221	\$ 0
Fringe	0	1,661	3,279	782	0
Travel	0	0	4,548	450	0
Operating Services	0	26,600	23,636	1,682	5,232
Operating Supplies	0	29	33	8,296	0
Other Costs	0	0	0	0	0
In-kind Expenses	<u>0</u>	<u>3,740</u>	<u>6,010</u>	<u>0</u>	<u>50</u>
Total Expenditures	<u>\$ 0</u>	<u>\$53,740</u>	<u>\$ 80,382</u>	<u>\$21,431</u>	<u>\$5,282</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 3,100</u>	<u>\$ 7,813</u>	<u>\$(18,670)</u>	<u>\$(3,489)</u>	<u>\$ 587</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ 0	\$ 0	\$ 21,602	\$ 31	\$ 376
Operating Transfers Out	<u>(3,100)</u>	<u>(7,813)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$(3,100)</u>	<u>\$(7,813)</u>	<u>\$ 21,602</u>	<u>\$ 31</u>	<u>\$ 376</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ 0	\$ 2,932	\$(3,458)	\$ 963
Fund Balance-Beginning of Year	<u>0</u>	<u>0</u>	<u>(2,932)</u>	<u>3,458</u>	<u>(963)</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Continued on next page.

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued)
For the Year Ended June 30, 2024

	<u>AAA</u>	<u>STPH Public Health</u>	<u>Utility Assistance</u>	<u>Nutritional Services Incentive Plan</u>	<u>Total</u>
REVENUES:					
Intergovernmental-					
Office of the Governor-GOEA	\$12,703	\$2,548	\$ 0	\$ 21,583	\$148,897
American Rescue Plan Act	6,904	0	0	0	31,167
Miscellaneous-					
Participant Contributions	0	0	818	0	4,868
Other/Local Funds	0	0	0	0	0
In-kind Contributions	<u>7,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,000</u>
Total Revenues	<u>\$26,807</u>	<u>\$2,548</u>	<u>\$ 818</u>	<u>\$ 21,583</u>	<u>\$201,932</u>
EXPENDITURES:					
Current-					
Salaries	\$11,141	\$2,548	\$ 0	\$ 0	\$ 88,496
Fringe	430	0	0	0	6,152
Travel	0	0	0	0	4,998
Operating Services	6,625	0	1,029	0	64,804
Operating Supplies	30	0	0	0	8,388
Other Costs	0	0	0	0	0
In-kind Expenses	<u>7,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,000</u>
Total Expenditures	<u>\$25,426</u>	<u>\$2,548</u>	<u>\$1,029</u>	<u>\$ 0</u>	<u>\$189,838</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 1,381</u>	<u>\$ 0</u>	<u>\$ (211)</u>	<u>\$ 21,583</u>	<u>\$ 12,094</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers In	\$ 920	\$ 0	\$ 0	\$ 0	\$ 22,929
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>	<u>(21,583)</u>	<u>(32,496)</u>
Total Other Financing	<u>\$ 920</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$(21,583)</u>	<u>\$ (9,567)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 2,301	\$ 0	\$ (211)	\$ 0	\$ 2,527
Fund Balance-Beginning of Year	<u>(2,301)</u>	<u>0</u>	<u>403</u>	<u>0</u>	<u>(2,335)</u>
Fund Balance-End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 192</u>	<u>\$ 0</u>	<u>\$ 192</u>

See independent auditors' report and notes to financial statements.

Red River Council on Aging, Inc.
Comparative Schedule of Capital Assets
and Changes in Capital Assets
For the Year Ended June 30, 2024

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
CAPITAL ASSETS:				
Buildings	\$112,531	\$ 0	\$ 0	\$112,531
Furniture & Equipment	90,871	0	0	90,871
Building Improvements	463,518	69,129	0	532,647
Vehicles	<u>189,284</u>	<u>0</u>	<u>0</u>	<u>189,284</u>
Total	<u>\$856,204</u>	<u>\$69,129</u>	<u>\$ 0</u>	<u>\$925,333</u>
INVESTMENT IN CAPITAL ASSETS:				
FTA Section 5311	\$143,044	\$ 0	\$ 0	\$143,044
Adult Daycare - Title XIX	804	0	0	804
CACFP Funds	2,268	0	0	2,268
Personal Care	0	0	0	0
Local Funds	209,266	0	0	209,266
La Government Assistance Program Grant	116,537	12,500	0	129,037
Rural Development Grant	147,601	0	0	147,601
Donated Assets	1,266	0	0	1,266
Insurance	90,217	0	0	90,217
Encana	21,878	0	0	21,878
Capital Improvements	41,386	0	0	41,386
Act 735 (PCOA)	34,950	0	0	34,950
Millage Tax	<u>46,987</u>	<u>56,629</u>	<u>0</u>	<u>103,616</u>
Total Investment in Capital Assets	<u>\$856,204</u>	<u>\$69,129</u>	<u>\$ 0</u>	<u>\$925,333</u>

See independent auditors' report and notes to financial statements.

SUPPLEMENTARY FINANCIAL INFORMATION
REQUIRED BY LOUISIANA LAW

Red River Council on Aging, Inc.
Schedule of Compensation, Benefits and Other Payments to
Agency Head or Chief Executive Officer
For the Year Ended June 30, 2024

Agency Head Name: Elizabeth Cannon, Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$78,166
Reimbursements – Office expenses	2,435
Conference travel	<u>2,193</u>
Total	<u>\$82,794</u>

See independent auditors' report.

OTHER REPORTS/SCHEDULES

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation
Roger M. Cunningham, CPA - LLC
Jessica H. Broadway, CPA - A Professional Corporation
Ryan E. Todtenbier, CPA - A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447

INDEPENDENT AUDITORS' 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
Red River Council on Aging, Inc.
Coushatta, Louisiana 71019

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 and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Red River Council on Aging's (Council) basic financial statements and have issued our report thereon dated November 13, 2024.

Report on 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify one deficiency in internal control that we consider to be a significant deficiency, described in the accompanying Schedule of Audit Findings as *Item 2024-001 - Segregation of Duties*.

Report on 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Finding

Red River Council on Aging, Inc.'s response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. This 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. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier
Certified Public Accountants

November 13, 2024
Natchitoches, Louisiana

Red River Council on Aging, Inc.
Schedule of Audit Findings and Responses
Year Ended June 30, 2024

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the financial statements of the Red River Council on Aging, Inc. as of and for the year ended June 30, 2024.
2. The audit disclosed one significant deficiency in internal control which was not determined to be a material weakness, identified as finding 2024-001 - *Segregation of Duties*.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

2024-001 *Segregation of Duties*

Criteria - Proper internal controls dictate that duties be segregated so that no one individual performs or controls all duties related to the accounting system.

Condition - In reviewing the internal control structure, we noted that Red River Council on Aging, Inc. does not have adequate segregation of duties with respect to all areas of the accounting function.

Cause - Due to a lack of funds, Red River Council on Aging does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Council's annual financial statements with related note disclosures.

Effect - Without adequate segregation of duties and oversight, intentional or unintentional errors could be made and not detected within the accounting system, increasing the risk of loss or theft of the Council's assets.

Recommendation - Keeping in mind the limited number of employees to which the duties can be assigned, and since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, the Council should monitor assignment of duties to assure as much segregation of duties and responsibilities as possible.

Management's Response - Management has provided as much segregation as possible with the resources available and will continue to monitor assignment and segregation of duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined it is in the best interest of the Council to have our independent auditors prepare our financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.

Red River Council on Aging, Inc.
Schedule of Audit Findings and Responses (continued)
Year Ended June 30, 2024

III. PRIOR YEAR FINDINGS

2023-001 Segregation of Duties

Condition - In reviewing the internal control structure, we noted that Red River Council on Aging, Inc. does not have adequate segregation of duties with respect to all areas of the accounting function.

Status - At June 30, 2024, this condition has not cleared. See Finding *2024-001*.

T | C | B | T
THOMAS, CUNNINGHAM, BROADWAY & TODTENBIER
Certified Public Accountants

Eddie G. Johnson, CPA – A Professional Corporation (1927-1996)

Mark D. Thomas, CPA – A Professional Corporation
Roger M. Cunningham, CPA – LLC
Jessica H. Broadway, CPA – A Professional Corporation
Ryan E. Todtenbier, CPA – A Professional Corporation

321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
Fax (318) 352-4447
www.tcbtcpa.com

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES**

To the Red River 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, 2023 through June 30, 2024. The management of the Red River Council on Aging, Inc. (Council) is responsible for those C/C areas identified in the SAUPs.

The Council has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA’s SAUPs for the fiscal period July 1, 2023 through June 30, 2024. 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 for this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) Written Policies and Procedures

- A. Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity’s operations).
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
 - iii. **Disbursements**, including processing, reviewing, and approving.
 - iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation)

- v. **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Procedure Results: No exceptions were noted as a result of these procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent documents in effect during the fiscal period, and:
 - i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparison on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

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

Procedure Results: No exceptions were noted as a result of these procedures.

3) Bank Reconciliations

- A. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - ii. 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 within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results: No exceptions were noted as a result of these procedures.

4) Collections (excluding EFTs)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (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).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (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:
 - i. Employees responsible for cash collections do not share cash drawers/registers.
 - ii. 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.
 - iii. 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.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
- C. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

- D. 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). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - v. Trace the actual deposit per the bank statement to the general ledger.

Procedure Results: No exceptions were noted as a result of these procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under #5A above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- i. Observe that the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
 - ii. Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #5B, as applicable.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (1) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Procedure Results: No exceptions were noted as a result of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - i. Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder; and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Procedure Results: No exceptions were noted as a result of these procedures.

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

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

- i. If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results: No exceptions were noted as a result of these procedures.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - i. Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
 - iii. If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Procedure Results: No exceptions were noted as a result of these procedures.

9) Payroll and Personnel

- A. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #9A above, obtain attendance records and leave documentation for the pay period, and:
 - i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe that supervisors approved the attendance and leave of the selected employees/officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure Results: No exceptions were noted as a result of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain ethics compliance documentation from management, and:
 - a) Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's policy during the fiscal period, as applicable.
- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Procedure Results: No exceptions were noted as a result of these procedures.

11) Debt Service (excluding nonprofits)

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Procedure Results: No exceptions were noted as a result of these procedures.

12) Fraud Notice

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

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

Procedure Results: No exceptions were noted as a result of these procedures.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- i. Observe and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
 - ii. Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed in the past 3 months.
 - iii. 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.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency’s information technology assets have completed cybersecurity training as required by R.S. 42:1267. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

Procedure Results: We performed these procedures and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
- C. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;

- ii. Number of sexual harassment complaints received by the agency;
- iii. Number of complaints which resulted in a finding that sexual harassment occurred;
- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- v. Amount of time it took to resolve each complaint.

Procedure Results: No exceptions were noted as a result of these procedures.

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

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

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

Thomas, Cunningham, Broadway & Todtenbier, CPA's

Thomas, Cunningham, Broadway & Todtenbier, CPA's
Natchitoches, Louisiana

November 13, 2024