

CAJUN AREA AGENCY ON AGING, INC.
Lafayette, Louisiana

Financial Report

Year Ended June 30, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Cajun Area Agency on Aging, Inc.'s financial performance provides an overview of the Agency's financial activities for the fiscal year (FY) ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Agency showed a net increase in overall net position of \$525,381 or 12% this year.

The Agency received \$3.8 million of federal funds during the current fiscal year.

The unassigned fund balance for the Agency's General Fund was \$3 million at year-end which is an increase of \$100,000 from the prior year.

Revenues for the current fiscal year totaled \$5.3 million a decrease of \$44,000 from the previous fiscal year.

Program expenditures to third-party service providers represent \$4.0 million or 83% of total expenditures, with Supportive and Nutritional Services representing 76% of program activities. Prior year expenditure to third party service providers totaled \$4.2 million.

HOW TO USE THIS ANNUAL REPORT

The Agency's annual financial report consists of six main parts:

1. Management's discussion and analysis (this section)
2. The basic financial statements (government-wide and fund)
3. Supplementary information required by GASB 34
4. Supplementary information required by GOEA
5. Supplementary information required by the Uniform Guidance, and
6. Auditor reports.

Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These financial statements provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances. In contrast, fund financial statements, which consist of the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Agency's operations in more detail than the government-wide statements by providing information about the Agency's most significant funds.

The auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and GOEA that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Government-Wide Financial Statements

BASIC FINANCIAL STATEMENTS

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

When reading these financial statements, an important point to consider is whether the Agency's finances as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities, referred to collectively as the Government-Wide Financial Statements, report information about the Agency as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Agency's net position and changes in it. The Agency has a restricted net position of \$1,775,686 which must be used for specific purposes, whereas \$2,979,362 of net position is unrestricted, meaning that it can be used for any program at management's discretion. The Statement of Net Position is designed to present the financial position of the Agency as of year-end. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Agency, the reader must consider other nonfinancial factors, such as the condition of the Agency'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 Agency's net position changed as a result of this year's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Agency's significant activities are reported in the Statement of Activities, including 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, family caregiver support, senior citizen activities, and Medicare outreach and enrollment. Subprograms activities are also presented, in some cases, to help the reader analyze the Agency's operations in more detail. All activities of the Agency are considered to be governmental activities. A governmental activity is one where the Agency uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Agency charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Agency does not have any business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Agency as a whole entity. In the fund financial statements, there are column presentations for a General Fund, Special Revenue Funds that have been determined to be "Major Funds," and a column for the total of all remaining Special Revenue Funds, which are deemed to be "Nonmajor Funds." Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but is believed to be important for the Agency's financial statement users. 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 or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other money.

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 the modified accrual basis of 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 Agency's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future for Agency's programs. The difference between the net position of governmental activities and the fund balances of the governmental funds is reconciled 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 reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the fund financial statements and should be read before making assumptions or drawing conclusions about the Agency's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

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

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, GASB 34 requires it to be presented as the first item in this reporting package and not with the GASB's other RSI, which is included later in this reporting package.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Agency to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Agency.

OMB's Uniform Guidance requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule will present information about the Agency's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Agency.

ANALYSIS OF THE AGENCY AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects condensed information on the Agency's assets, liabilities, and net position for fiscal years ended June 30, 2023 and 2022:

Condensed Statement of Net Position

	2023	2022	Increase (Decrease)
Cash	\$ 5,182,730	\$ 4,720,848	\$ 461,882
Accounts receivable	366,344	40,939	325,405
Prepaid Expenses	4,465	4,063	402
Capital assets, net of accumulated depreciation	<u>328,503</u>	<u>330,612</u>	<u>(2,109)</u>
Total Assets	<u>5,882,042</u>	<u>5,096,462</u>	<u>785,580</u>
Accounts payable	777,259	519,148	258,111
Accrued compensated absences	<u>21,232</u>	<u>19,144</u>	<u>2,088</u>
Total Liabilities	<u>798,491</u>	<u>538,292</u>	<u>260,199</u>
Invested in capital assets, net of related debt	328,503	330,612	(2,109)
Restricted	1,775,686	1,350,493	425,193
Unrestricted	<u>2,979,362</u>	<u>2,877,065</u>	<u>102,297</u>
Total Net Position	<u>\$ 5,083,551</u>	<u>\$ 4,558,170</u>	<u>\$ 525,381</u>

As of June 30, 2023, the Agency "as a whole" had assets greater than its liabilities by \$5,083,551 whereas at June 30, 2022 net position was \$4,558,170. This is an increase of \$525,381 or about 12% in net position.

Approximately 58.61% and 63.12% of the Agency's total net position is unrestricted as of June 30, 2023 and 2022, respectively. Unrestricted net position is important because they provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Agency's restricted net position represents 34.93% and 29.63% of the Agency's total net position as of June 30, 2023 and 2022, respectively. Net position is reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The liability for compensated absences increased \$2,088 during the year. This liability represents what the Agency would owe to its employees as of year-end for unused vacation leave. If employee vacation patterns are similar from year to year and the number of employees remains about the same, then the amount owed at year-end will not change very much from the prior year.

This liability could adversely affect the Agency's financial position if we were to have to lay off a significant portion of our workforce. This event would trigger the immediate payment of unused vacation to the terminated employees resulting in the Agency having to use unrestricted net position to make the payments.

The following table reflects condensed information on the Agency's change in net position for fiscal years 2023 and 2022:

Condensed Statement of Activities				
	2023	% of Total	2022	% of Total
Revenues				
Program Revenues	\$ 5,153,046	97.30%	\$ 5,152,588	96.49%
General Revenues	<u>143,146</u>	<u>2.70%</u>	<u>187,296</u>	<u>3.51%</u>
Total Revenues	<u>5,296,192</u>	<u>100.00%</u>	<u>5,339,884</u>	<u>100.00%</u>
Direct Program Expenses of the Health, Welfare, and Social Services Function				
Supportive Services	801,047	16.79%	1,167,939	21.68%
Nutrition Services	2,841,290	59.56%	2,999,383	55.67%
Disease Prevention and Health Promotior	53,635	1.12%	50,854	0.94%
National Family Caregiver Support	327,879	6.87%	469,802	8.72%
Ombudsman	152,520	3.20%	139,926	2.60%
SenioRx/ ADRC	119,502	2.50%	119,502	2.22%
STPH	81,656	1.71%	92,445	1.72%
Direct administrative expenses	<u>393,282</u>	<u>8.24%</u>	<u>348,234</u>	<u>6.46%</u>
Total expenses	<u>4,770,811</u>	<u>100.00%</u>	<u>5,388,085</u>	<u>100.00%</u>
Increase (decrease) in net position	525,381		(48,201)	
Net position, beginning	<u>4,558,170</u>		<u>4,606,371</u>	
Net position, end of the year	<u>\$ 5,083,551</u>		<u>\$ 4,558,170</u>	

As illustrated by the table above, the Agency gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentages of revenues and this revenue is available to management to use at its discretion. Charges for services arise from fees the Agency has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Agency before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Agency has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Agency had a \$525,381 increase in its net position for FY 2023, whereas the decrease in net position for FY 2022 was \$48,201. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for FY 2023.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Agency's activities are funded by federal, state, and local grants. These grants amount to approximately 97% and 96% of the governmental activity related revenues of the Agency for FY 2023 and 2022, respectively. Some of these grants are restricted which means that the money can only be used in certain programs. 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 Agency under the terms of the particular grant award.

The Agency invests idle funds and is able to earn some interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Agency's operations. The Agency's main focus is to meet the needs of the elderly citizens of Acadiana. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Agency's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

Another indication of how we are using money efficiently can be analyzed by comparing the amount of administration costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For FY 2023, total administration expenses were \$393,282, or 8% of total expenses. In comparison, total administration expenses for last year were \$348,234, or 6%.

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

Fund Balances

The Agency showed a combined governmental fund balance of \$4,776,280 (as shown on the Fund Financial Statement's balance sheet at page 16) at the end of this fiscal year, which is an increase of \$529,578 from last fiscal year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Revenues

The combined fund revenues decreased by \$43,692 compared to prior fiscal year revenues, which is a 1% decrease from fiscal last year.

Expenditures

Total expenditures decreased by \$620,390 this fiscal year, or 11.5%. The majority of the decrease is attributable to the return of funds to the grantor received from the Coronavirus Aid, Relief, and Economic Security Act grant totaling \$448,989 that were unspent during FY 2022.

AN ANALYSIS OF THE GENERAL AND MAJOR SPECIAL REVENUE FUND BUDGETS

You can find schedules of the original and amended budgets for the general and major special revenue funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the fiscal year, the Agency had \$328,503 in fixed assets net of accumulated depreciation. This represents a net decrease of \$2,109 from last fiscal year and is attributable to capital outlay of \$20,471 offset by depreciation expense of \$22,580.

We have already discussed the nature and effects of the compensated absences liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Agency receives most of its funding from federal and state agencies. Because of this, the source of income for the Agency is rather steady. However, some of the Agency's grants and contracts are contingent upon the level of service provided by the Agency, and therefore, revenues may vary from year to year. In setting its budget for the fiscal year 2024, it was important that we deliver at least the same level of service as we did in FY 2023.

All of the Agency's grants and contracts from the usual federal and state agencies have been approved for FY 2024. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Agency's budget for next year.

CONTACTING THE AGENCY'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Agency'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 Mrs. Shannon Broussard, the Agency's Executive Director, at the Agency's main office located at 110 Toledo Drive, Lafayette, LA, by phone at 337-572-8940.

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Cajun Area Agency on Aging, Inc.
Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cajun Area Agency on Aging, Inc. as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2023, 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. 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-7 and 35-39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2023, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 5, 2023

GOVERNMENT WIDE FINANCIAL STATEMENTS

CAJUN AREA AGENCY ON AGING, INC.

Government Wide Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 5,182,730
Accounts receivable	366,344
Prepaid expenses	4,465
Capital assets, net of accumulated depreciation	<u>328,503</u>
Total Assets	<u>5,882,042</u>
LIABILITIES	
Accounts payable	777,259
Accrued compensated absences	<u>21,232</u>
Total Liabilities	<u>798,491</u>
NET POSITION	
Invested in Capital Assets, net of debt	328,503
Restricted for:	
Prepaid expenses	4,465
NSIP	852,727
ARP area agency administration	100,482
ARP supportive services program	428,349
ARP congregate meals	156,806
ARP home delivered meals	26,882
ARP disease prevention	36,760
ARP caregiver	86,638
STPH	82,577
Unrestricted	<u>2,979,362</u>
Total Net Position	<u>\$ 5,083,551</u>

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2023

<u>Function/Programs</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services	\$ 801,047	\$ -
Nutrition Services:		
Congregate meals	616,559	-
Home delivered meals	2,224,731	-
Disease Prevention and Health Promotion	53,635	-
National Family Caregiver Support	327,879	-
NSIP	-	-
Ombudsman	152,520	-
SenioRx/ ADRC	119,502	-
STPH	81,656	-
Administration	<u>393,282</u>	<u>-</u>
Total governmental activities	<u>\$ 4,770,811</u>	<u>\$ -</u>

Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
\$ -	\$ 982,174	\$ -	\$ 181,127
-	701,494	-	84,935
-	1,795,106	-	(429,625)
-	70,261	-	16,626
-	384,592	-	56,713
-	389,886	-	389,886
-	152,516	-	(4)
-	119,502	-	-
-	164,233	-	82,577
-	393,282	-	-
<u>\$ -</u>	<u>\$ 5,153,046</u>	<u>\$ -</u>	<u>\$ 382,235</u>

General Revenues:

Grants and contributions not restricted to specific programs	140,684
Unrestricted Investment Income	462
Miscellaneous	<u>2,000</u>
Total general revenues, transfers and special items	<u>143,146</u>
Increase in net position	525,381
Net position - beginning	<u>4,558,170</u>
Net position - end of the year	<u>\$ 5,083,551</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CAJUN AREA AGENCY ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2023

	General Fund	Title III B	Title III C-1	Title III C-2	NSIP	Non-Major Funds	Total
ASSETS							
Cash	\$4,330,003	\$ -	\$ -	\$ -	\$ 852,727	\$ -	\$ 5,182,730
Accounts receivable	366,344	-	-	-	-	-	366,344
Prepaid expenses	4,465	-	-	-	-	-	4,465
Total Assets	<u>\$4,700,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,727</u>	<u>\$ -</u>	<u>\$ 5,553,539</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	<u>777,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,259</u>
Total Liabilities	<u>777,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>777,259</u>
FUND BALANCES							
Nonspendable							
Prepaid expenses	4,465	-	-	-	-	-	4,465
Restricted for:							
NSIP	-	-	-	-	852,727	-	852,727
ARP area agency administration	100,482	-	-	-	-	-	100,482
ARP supportive services program	428,349	-	-	-	-	-	428,349
ARP congregate meals	156,806	-	-	-	-	-	156,806
ARP home delivered meals	26,882	-	-	-	-	-	26,882
ARP disease prevention	36,760	-	-	-	-	-	36,760
ARP caregiver	86,638	-	-	-	-	-	86,638
STPH	82,577	-	-	-	-	-	82,577
Unassigned	<u>3,000,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000,594</u>
Total Fund Balances	<u>3,923,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852,727</u>	<u>-</u>	<u>4,776,280</u>
Total Liabilities and Fund Balances	<u>\$4,700,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,727</u>	<u>\$ -</u>	

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

- Compensated absences are not paid for out of current financial resources and therefore are not reported in the funds (21,232)

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 328,503

Net position of governmental activities \$5,083,551

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2023

	General Fund	Title III B	Title III C-1	Title III C-2	NSIP	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 426,946	\$ 982,174	\$ 701,494	\$ 1,795,106	\$ 389,886	\$ 895,624	\$ 5,191,230
Investment Income	462	-	-	-	-	-	462
Local and Miscellaneous:							
Rental income	102,500	-	-	-	-	-	102,500
Miscellaneous	2,000	-	-	-	-	-	2,000
Total Revenues	<u>531,908</u>	<u>982,174</u>	<u>701,494</u>	<u>1,795,106</u>	<u>389,886</u>	<u>895,624</u>	<u>5,296,192</u>
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	187,286	-	-	-	-	148,340	335,626
Fringe	33,274	-	-	-	-	45,503	78,777
Travel	3,888	-	-	-	-	16,726	20,614
Operating services	97,984	-	-	-	-	136,045	234,029
Operating supplies	5,338	-	-	-	-	17,837	23,175
Other costs	55,506	-	-	-	-	28,200	83,706
Service providers	-	801,047	616,559	2,224,731	-	327,879	3,970,216
Capital outlay	5,809	-	-	-	-	14,662	20,471
Total Expenditures	<u>389,085</u>	<u>801,047</u>	<u>616,559</u>	<u>2,224,731</u>	<u>-</u>	<u>735,192</u>	<u>4,766,614</u>
Excess (deficiency) of revenues over expenditures	<u>142,823</u>	<u>181,127</u>	<u>84,935</u>	<u>(429,625)</u>	<u>389,886</u>	<u>160,432</u>	<u>529,578</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	454,707	-	-	456,507	-	4	911,218
Transfers out	<u>(1,331)</u>	<u>(181,127)</u>	<u>(84,935)</u>	<u>(26,882)</u>	<u>(456,507)</u>	<u>(160,436)</u>	<u>(911,218)</u>
Total other financing sources and uses	<u>453,376</u>	<u>(181,127)</u>	<u>(84,935)</u>	<u>429,625</u>	<u>(456,507)</u>	<u>(160,432)</u>	<u>-</u>
Net Increase (Decrease) in fund balances	596,199	-	-	-	(66,621)	-	529,578
FUND BALANCES							
Beginning of the year	<u>3,327,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>919,348</u>	<u>-</u>	<u>4,246,702</u>
End of the year	<u>\$ 3,923,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,727</u>	<u>\$ -</u>	<u>\$ 4,776,280</u>

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2023

Net increase in fund balances - total governmental funds \$ 529,578

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$22,580) exceed capital outlays (\$20,471) during the period. (2,109)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated absences (2,088)

Increase in net position of governmental activities \$ 525,381

The accompanying notes are an integral part of this statement

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Agency on Aging

The purpose and function of the Cajun Area Agency on Aging, Inc. is to develop a comprehensive and coordinated service delivery system for the elderly and serve as the advocate and focal point for older persons by entering into agreements with the Governor's Office of Elderly Affairs and with providers of supportive and nutrition services. "Comprehensive and coordinated system" refers to a program of interrelated supportive and nutrition services designed to meet the needs of older persons in each planning and service area. This system is to be developed by the Agency over a period of time. The Cajun Area Agency on Aging, Inc. performs these functions throughout an eight parish area of South Louisiana.

B. Reporting Entity

In 1974, Gubernatorial Executive Order No. 54 initially established area agencies on aging. Gubernatorial Executive Order No. 80-16 of 1989 authorized the Governor's Office of Elderly Affairs to designate planning and service areas to coincide with the geographic boundaries of the 64 parishes of the state, and to designate area agencies therein. An area agency must be an organization whose single purpose is to administer programs for older persons, or a multipurpose agency with the authority and capacity to administer human services in the planning and service area. If it is a multipurpose agency, the Area Agency on Aging, Inc. must designate all its authority and responsibility for carrying out the responsibilities listed below to a single organizational unit in the agency unless the agency receives a waiver of this requirement from the Governor's Office of Elderly Affairs.

C. Presentation of Statements

The Agency'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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

D. Basic Financial Statements - Government-Wide Statements

The Agency's basic financial statements include both Government-Wide (reporting the Agency as a whole) and fund financial statements (reporting the Agency's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. All of the Agency's functions and programs have been classified as governmental activities. The Agency does not have any business-type or fiduciary funds or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Agency will depart from its usual policy of using restricted resources first.

The Government-Wide Statement of Activities reports both the gross and net cost of each of the Agency'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 which 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 Government-Wide Statements focus upon the Agency's ability to sustain operations and the change in its net position resulting from the current year's activities.

E. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Agency 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.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Agency uses governmental fund types. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Agency or if its total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total for all funds of that category or type and at least 5% of the corresponding total for all governmental funds combined. In addition, a major fund could be a fund that does not meet these criteria but which management believe is important to present as such for the financial statement users.

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. Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

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

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

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

The Title III-C Area Agency Administration (AAA) Fund is used to account for the administration of special programs for the aging.

The Provider Fund is used to account for additional meals provided that are not included in either the C-1 or C-2 programs.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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 Agency's special revenue funds are Corporation for National and Community Service and Title III funds. The Title III 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 Agency directly or through the Cajun Area Agency on Aging, Inc.

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

Major Special Revenue Funds

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

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly in strategically located centers.

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

The N.S.I.P. Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Agency. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Non-Major Special Revenue Funds

The Title III B - Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

The Title III D Fund is used to account for funds that are used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically under-served and in which there are a large number of older individuals who have the greatest economic and social need.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Title III E Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

The SenioRx Program Fund helps link eligible seniors with assistance for obtaining their prescription medications.

The STPH Fund is used to account for the State Public Health (STPH) funds used to recruit, hire and train public health workers to respond to Covid-19 and prepare for future public health challenges.

The MIPPA Fund is used to account for the Medicare Improvements for Patients and Providers Act funds that are used to reach out and inform consumers about the Medicare Part D Extra Help/Low-Income Subsidiary (LIS) and the Medicare Savings Programs (MSP).

F. 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 Agency 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 Agency considers all revenues "available" if they are 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.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

G. 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.

H. Cash and Cash Equivalents

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

I. Receivables

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

J. Capital Assets

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

Capital assets will also include major repairs to equipment that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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 Agency follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

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

Building and improvements	40 years
Equipment	5-7 years
Computers	3 years

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

Fund Financial Statements

In the fund financial statements, capital assets used in the Agency'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.

K. Unpaid Compensated Absences

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

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 Agency. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Agency'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. Net Position in the Government-wide Financial Statements

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

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

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

M. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. In accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definition*, the following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenses of \$4,465 as being nonspendable as this item is not expected to be converted to cash

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Agency has a restricted fund balance of \$1,771,221 as of June 30, 2023, which represents the grantors' restriction of resources to be used for each specific grant requirement.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Agency's board of directors, which is the Agency's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Agency did not have any committed resources as of year end.
- Assigned: This classification includes amounts that are constrained by the Agency's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Agency's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Agency did not have any assigned resources as of year end.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

N. 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.

O. 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.

P. Deferred Revenues

The Agency reports deferred revenues on its Statement of Net Position and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Agency receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Agency has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. The Agency did not have any deferred revenues at year end.

NOTE 2 REVENUE RECOGNITION

Revenues are recorded in the Government-Wide Statements when they are earned under the accrual basis of accounting.

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

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

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT, DEPOSITS AND INVESTMENTS

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Agency's cash balances on its books was \$5,182,730, including petty cash of \$200, whereas the related bank balances totaled \$4,727,212. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance and Federal Reserve holding pledged securities.

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
Regions Bank - Operating	\$4,503,564	\$4,503,564	0.05%	Demand	Category 1
Regions Bank - Money Market	677,449	677,449	0.05%	Demand	Category 1
Regions Bank - Payroll	1,717	1,717	None	Demand	Category 1
Total Cash	<u>\$ 5,182,730</u>	<u>\$ 5,182,730</u>			
Unrestricted Purpose	\$ 3,411,509				
Restricted Purpose:					
ARP	835,917				
STPH	82,577				
NSIP	<u>852,727</u>				
Total Cash	<u>\$ 5,182,730</u>				

As illustrated in the previous table, some of the Agency's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Agency with an explicit understanding between the Agency and the resource providers that the resource would be used for a specific purpose.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4 CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance June 30, 2022	Increases	Decreases	Balance June 30, 2023
Capital Assets				
Furniture & equipment	\$ 69,220	\$ 20,471	\$ (8,219)	\$ 81,472
Building improvements	<u>626,355</u>	<u>-</u>	<u>-</u>	<u>626,355</u>
Subtotal	<u>695,575</u>	<u>20,471</u>	<u>(8,219)</u>	<u>707,827</u>
Accumulated depreciation				
Furniture & equipment	51,344	6,926	(8,219)	50,051
Building improvements	<u>313,619</u>	<u>15,654</u>	<u>-</u>	<u>329,273</u>
Subtotal	<u>364,963</u>	<u>22,580</u>	<u>(8,219)</u>	<u>379,324</u>
Net capital assets	<u>\$ 330,612</u>	<u>\$ (2,109)</u>	<u>\$ -</u>	<u>\$ 328,503</u>

Depreciation was charged to governmental activities totaling \$22,580 as administration expense for the year ended June 30, 2023.

NOTE 5 CHANGES IN COMPENSATED ABSENCES

The Agency had long-term debt relating to compensated absences for the year ended June 30, 2023. The following is a schedule of the changes in long-term debt for the accrued compensated absences:

	Balance 6/30/22	Increases	Decreases	Balance 6/30/23	Due within one year
Accrued annual leave	<u>\$ 19,144</u>	<u>\$ 21,232</u>	<u>\$ 19,144</u>	<u>\$ 21,232</u>	<u>\$ 21,232</u>
Total long-term debt	<u>\$ 19,144</u>	<u>\$ 21,232</u>	<u>\$ 19,144</u>	<u>\$ 21,232</u>	<u>\$ 21,232</u>

NOTE 6 CONTINGENCIES-GRANT PROGRAMS

The Agency 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 Agency 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 provisions 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 Agency.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 INCOME TAX STATUS

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

NOTE 8 JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Agency as of year-end. The Agency's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Agency's financial statements.

NOTE 9 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Agency has \$852,727 of restricted funds due to the constraints placed on the use of money through the NSIP program, \$835,917 of restricted funds due to the constraints placed on the use of money through the American Rescue Plan (ARP) Act, and \$82,577 of restricted funds due to the constraints placed on the use of money through the State Public Health (STPH) grant.

NOTE 10 ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA). 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 Agency 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 Agency will receive in the next fiscal year.

NOTE 11 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for travel expenses incurred in accordance with the Agency's travel policies.

The payments to the following board members for travel expenses based on actual mileage:

Etta Brew	\$ 133
Winnie Broussard	112
Margaret Carron	65
Shelly Fontenot	62
Richard Latiolais	383
John Keenze	704
Joanie Schendel	350
Total	<u>\$ 1,809</u>

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

NOTE 13 RISK MANAGEMENT

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Agency 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 or prior three fiscal years that exceeded the Agency's insurance coverage. The Agency's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE 14 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to Director Shannon Broussard for the year ended June 30, 2023 follow:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 136,850
Travel	2,137
Pension	6,843
Insurance	<u>13,280</u>
Total	<u>\$ 159,110</u>

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 15 INTERFUND TRANSFERS

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

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

Interfund transfers to and from are listed by fund for the fiscal year as follows:

	<u>Funds Transferring In:</u>			
	<u>General Fund</u>	<u>Title III C-2</u>	<u>Title III Ombudsman</u>	<u>Totals</u>
<u>Funds Transferring Out:</u>				
General Fund:				
Local	\$ 1,327	\$ -	\$ 4	\$ 1,331
Total General Fund	<u>1,327</u>	<u>-</u>	<u>4</u>	<u>1,331</u>
Major Funds:				
Title III B	181,127	-	-	181,127
Title III C-1	84,935	-	-	84,935
Title III C-2	26,882	-	-	26,882
NSIP	-	456,507	-	456,507
Non-Major Funds:				
Title III D	16,626	-	-	16,626
Title III E	56,713	-	-	56,713
STPH	82,577	-	-	82,577
MIPPA	<u>4,520</u>	<u>-</u>	<u>-</u>	<u>4,520</u>
Total Special Revenue Funds	<u>453,380</u>	<u>456,507</u>	<u>-</u>	<u>909,887</u>
Total all funds	<u>\$ 454,707</u>	<u>\$ 456,507</u>	<u>\$ 4</u>	<u>\$ 911,218</u>

NOTE 16 SUBSEQUENT EVENT

Management has evaluated subsequent events through September 5, 2023, the date the financial statements were made available to be issued.

REQUIRED BY GASB STATEMENT 34 SUPPLEMENTARY INFORMATION

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ 3,327,354	\$ 3,327,354	\$ 3,327,354	\$ -
Resources (inflows):				
GOEA	442,208	422,638	426,946	4,308
Rental revenue	102,500	102,500	102,500	-
Local and miscellaneous	-	2,000	2,000	-
Interest	439	462	462	-
Transfers in	453,380	453,380	454,707	1,327
Amounts available for appropriation	<u>4,325,881</u>	<u>4,308,334</u>	<u>4,313,969</u>	<u>5,635</u>
Charges to appropriations (outflows):				
Personnel & fringe	221,622	222,950	220,560	2,390
Travel	5,126	5,107	3,888	1,219
Operating services	102,543	116,924	97,984	18,940
Operating supplies	16,612	15,365	5,338	10,027
Other costs	50,175	50,019	55,506	(5,487)
Capital outlay	-	-	5,809	(5,809)
Transfers out	-	1,331	1,331	-
Total charges to appropriations	<u>396,078</u>	<u>411,696</u>	<u>390,416</u>	<u>21,280</u>
Budgetary fund balance, June 30	<u>\$ 3,929,803</u>	<u>\$ 3,896,638</u>	<u>\$ 3,923,553</u>	<u>\$ 26,915</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	954,691	954,691	982,174	27,483
Transfers in	-	-	-	-
Amounts available for appropriation	<u>954,691</u>	<u>954,691</u>	<u>982,174</u>	<u>27,483</u>
Charges to appropriations (outflows):				
Service providers	801,047	801,047	801,047	-
Transfers out	<u>153,644</u>	<u>153,644</u>	<u>181,127</u>	<u>(27,483)</u>
Total charges to appropriations	<u>954,691</u>	<u>954,691</u>	<u>982,174</u>	<u>(27,483)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-1
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance (deficit), July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	691,580	691,580	701,494	9,914
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>691,580</u>	<u>691,580</u>	<u>701,494</u>	<u>9,914</u>
Charges to appropriations (outflows):				
Service providers	616,559	616,559	616,559	-
Transfers out	<u>75,021</u>	<u>75,021</u>	<u>84,935</u>	<u>(9,914)</u>
Total charges to appropriations	<u>691,580</u>	<u>691,580</u>	<u>701,494</u>	<u>(9,914)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	1,768,224	1,768,224	1,795,106	26,882
Transfers in	<u>512,642</u>	<u>512,642</u>	<u>456,507</u>	<u>(56,135)</u>
Amounts available for appropriation	<u>2,280,866</u>	<u>2,280,866</u>	<u>2,251,613</u>	<u>(29,253)</u>
Charges to appropriations (outflows):				
Service providers and transfers out	2,280,866	2,280,866	2,224,731	56,135
Transfers out	<u>-</u>	<u>-</u>	<u>26,882</u>	<u>(26,882)</u>
Total charges to appropriations	<u>2,280,866</u>	<u>2,280,866</u>	<u>2,251,613</u>	<u>29,253</u>
Budgetary fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 NSIP
 Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 919,348	\$ 919,348	\$ 919,348	\$ -
Resources (inflows):				
Intergovernmental	386,317	338,105	389,886	51,781
Transfers in	-	-	-	-
Amounts available for appropriation	<u>1,305,665</u>	<u>1,257,453</u>	<u>1,309,234</u>	<u>51,781</u>
Charges to appropriations (outflows):				
Transfers out	<u>144,336</u>	<u>456,507</u>	<u>456,507</u>	<u>-</u>
Total charges to appropriations	<u>144,336</u>	<u>456,507</u>	<u>456,507</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ 1,161,329</u>	<u>\$ 800,946</u>	<u>\$ 852,727</u>	<u>\$ 51,781</u>

REQUIRED BY GOEA SUPPLEMENTARY FINANCIAL INFORMATION

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Non-Major Special Revenue Funds
Year Ended June 30, 2023

	Title III Ombudsman	Title III D	Title III E	SenioRx/ ADRC	STPH	MIPPA	Total
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 152,516	\$ 70,261	\$ 384,592	\$ 119,502	\$ 164,233	\$ 4,520	\$ 895,624
Local and Miscellaneous:							
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	<u>152,516</u>	<u>70,261</u>	<u>384,592</u>	<u>119,502</u>	<u>164,233</u>	<u>4,520</u>	<u>895,624</u>
EXPENDITURES							
Current:							
Personnel	64,179	26,245	-	42,019	15,897	-	148,340
Fringe	14,525	4,894	-	21,972	4,112	-	45,503
Travel	5,714	2,319	-	2,327	6,366	-	16,726
Operating services	60,483	13,602	-	45,858	16,102	-	136,045
Operating supplies	7,619	4,453	-	1,626	4,139	-	17,837
Other costs	-	-	-	5,700	22,500	-	28,200
Service providers	-	-	327,879	-	-	-	327,879
Return of funds	-	-	-	-	-	-	-
Capital outlay	-	2,122	-	-	12,540	-	14,662
Total Expenditures	<u>152,520</u>	<u>53,635</u>	<u>327,879</u>	<u>119,502</u>	<u>81,656</u>	<u>-</u>	<u>735,192</u>
Excess (deficiency) of revenues over expenditures	<u>(4)</u>	<u>16,626</u>	<u>56,713</u>	<u>-</u>	<u>82,577</u>	<u>4,520</u>	<u>160,432</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	4	-	-	-	-	-	4
Transfers out	-	(16,626)	(56,713)	-	(82,577)	(4,520)	(160,436)
Total other financing sources and uses	<u>4</u>	<u>(16,626)</u>	<u>(56,713)</u>	<u>-</u>	<u>(82,577)</u>	<u>(4,520)</u>	<u>(160,432)</u>
Net Increase (Decrease) in fund balances	-	-	-	-	-	-	-
FUND BALANCES							
Beginning of the year	-	-	-	-	-	-	-
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Comparative Schedule of General Fixed Assets
And Changes In General Fixed Assets
Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
General fixed assets:				
Leasehold improvements	\$ 626,355	\$ -	\$ -	\$ 626,355
Furniture and equipment	<u>69,220</u>	<u>20,471</u>	<u>(8,219)</u>	<u>81,472</u>
Total general fixed assets	<u>\$ 695,575</u>	<u>\$ 20,471</u>	<u>\$ (8,219)</u>	<u>\$ 707,827</u>
Investment in general fixed assets:				
Local	630,100	-	-	630,100
Title III-C-1	42,773	-	(8,219)	34,554
Ombudsman	13,379	-	-	13,379
SenioRx	1,342	-	-	1,342
American Rescue Plan	2,205	7,931	-	10,136
COVID Ombudsman	5,776	-	-	5,776
STPH	<u>-</u>	<u>12,540</u>	<u>-</u>	<u>12,540</u>
Total investment in general fixed assets	<u>\$ 695,575</u>	<u>\$ 20,471</u>	<u>\$ (8,219)</u>	<u>\$ 707,827</u>

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

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTORS/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL NUMBER</u>	<u>GRANT YEAR ENDED</u>
<u>U.S. Department of Health and Human Services - Administration on Aging</u>		
Passed through the Governor's Office of Elderly Affairs:		
Special Programs for the Aging :		
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/23
American Rescue Plan Title III (Supportive Services)	93.044	6/30/23
American Rescue Plan Title III (Supportive Services)	93.044	6/30/22
Title III, Part B - Ombudsman	93.044	6/30/23
Coronavirus Aid, Relief, and Economic Security Act (Ombudsman)	93.044	6/30/23
State Public Health (STPH)	93.044	6/30/23
Subtotal CFDA #93.044		
Title III, Part C- Area Agency Administration	93.045	6/30/23
American Rescue Plan Title III (Area Agency Administration)	93.045	6/30/23
American Rescue Plan Title III (Area Agency Administration)	93.045	6/30/22
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/23
American Rescue Plan Title III (Congregate Meals)	93.045	6/30/23
American Rescue Plan Title III (Congregate Meals)	93.045	6/30/22
Title III, Part C-2 - Nutrition Services (Home-Delivered Meals)	93.045	6/30/23
American Rescue Plan Title III (Home-Delivered Meals)	93.045	6/30/23
Subtotal CFDA #93.045		
Nutrition Services Incentives Program (NSIP)	93.053	6/30/23
Total Aging Cluster		
Title III, Part D - Disease Prevention and Health Promotion	93.043	6/30/23
American Rescue Plan Title III (Disease Prevention and Health Promotion)	93.043	6/30/23
American Rescue Plan Title III (Disease Prevention and Health Promotion)	93.043	6/30/22
Subtotal CFDA #93.043		
Title III, Part E - Caregiver Support	93.052	6/30/23
American Rescue Plan Title III (Caregiver Support)	93.052	6/30/23
American Rescue Plan Title III (Caregiver Support)	93.052	6/30/22
Subtotal CFDA #93.052		
Medicare Enrollment Assistance Program	93.071	6/30/23
Total Other Programs		
Totals for U.S. Department of Health and Human Services - Administration on Aging		
Total federal grants		

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards include the federal grant activity of the Cajun Area Agency on Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund financial statements. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Grants. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note B - No federal awards were expended in the form of non-cash assistance during the fiscal year.

PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
\$ 468,134	\$ 468,134	\$ 468,134	\$ 468,134
303,691	303,691	149,733	149,733
256,969	-	-	-
103,785	103,785	103,785	-
20,913	20,913	20,913	-
164,233	164,233	81,656	-
<u>1,317,725</u>	<u>1,060,756</u>	<u>824,221</u>	<u>617,867</u>
234,136	234,136	234,136	-
86,074	86,074	54,159	-
72,832	-	-	-
498,469	498,469	498,469	498,469
109,424	109,424	37,355	37,355
92,590	-	-	-
755,590	755,590	755,590	755,590
297,048	297,048	274,198	274,198
<u>2,146,163</u>	<u>1,980,741</u>	<u>1,853,907</u>	<u>1,565,612</u>
<u>389,886</u>	<u>389,886</u>	<u>456,507</u>	<u>-</u>
3,853,774	3,431,383	3,134,635	2,183,479
42,931	42,931	42,931	-
27,330	27,330	10,703	-
23,126	-	-	-
<u>93,387</u>	<u>70,261</u>	<u>53,634</u>	<u>-</u>
243,670	243,670	243,670	243,670
44,774	44,774	2,240	2,240
37,886	-	-	-
<u>326,330</u>	<u>288,444</u>	<u>245,910</u>	<u>245,910</u>
4,520	4,520	4,520	-
424,237	363,225	304,064	245,910
<u>4,278,011</u>	<u>3,794,608</u>	<u>3,438,699</u>	<u>2,429,389</u>
<u>\$ 4,278,011</u>	<u>\$ 3,794,608</u>	<u>\$ 3,438,699</u>	<u>\$ 2,429,389</u>

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

The Board of Directors
Cajun Area Agency on Aging, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cajun Area Agency on Aging, Inc. as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Cajun Area Agency on Aging, Inc.'s basic financial statements, and have issued our report thereon dated September 5, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

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

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 5, 2023

Independent Auditor's Report on Compliance for
Each Major Program and on Internal Control over Compliance
Required by the Uniform Guidance

The Board of Directors
Cajun Area Agency on Aging, Inc.
Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Cajun Area Agency on Aging, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cajun Area Agency on Aging, Inc.'s major federal programs for the year ended June 30, 2023. Cajun Area Agency on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cajun Area Agency on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

September 5, 2023

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Cajun Area Agency on Aging, Inc.'s financial statements as of and for the year ended June 30, 2023.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

There were no significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

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

FEDERAL AWARDS

Major Program Identification

The Cajun Area Agency on Aging, Inc., for the year ended June 30, 2023, had three major programs: Title III B, Title III C (including C-1 and C-2), and NSIP, which received funds from the U.S. Department of Health and Human Services.

Low-Risk Auditee

The Cajun Area Agency on Aging, Inc. is considered a low-risk auditee for the year ended June 30, 2023.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended June 30, 2023.

Auditor's Report - Major Program

An unmodified opinion has been issued on the Cajun Area Agency on Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2023.

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2023

Control and Significant Deficiencies and Material Weaknesses - Major Program

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

Compliance Finding Related to Major Program

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

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

This section is not applicable for the fiscal year ended June 30, 2023.

Part III Findings and Questioned Costs Relating to the Federal Programs

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

Part IV Management Letter

The auditor did not issue a management letter this year.

CAJUN AREA AGENCY ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2023

There were no prior year findings noted.

CAJUN AREA AGENCY ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2023

Response to Findings:

There were no current year findings noted; therefore, no response is deemed necessary.



OTHER LOCATIONS:

Lafayette Morgan City Abbeville

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of Cajun Area Agency on Aging, Inc. (the "Agency") and the Louisiana Legislative Auditor:

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

The Agency has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
Written policies and procedures were obtained and do address the functions noted above.
 - 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.
Written policies and procedures were obtained and do address the functions noted above.
 - iii. ***Disbursements***, including processing, reviewing, and approving.
Written policies and procedures were obtained and do address the functions noted above.

- 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).

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

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

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

- 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.

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

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

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

- 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).

This section is not applicable. The Agency does not have any credit cards.

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

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

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

This section is not applicable. The Agency does not have any debt service.

- 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.

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

- 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.

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

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

3) *Bank Reconciliations*

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date.
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

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.

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

Reconciling items that have been outstanding for more than 12 months from the statement closing date contained 6 items and were immaterial.

4) Collections (excluding electronic funds transfers)

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

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

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

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

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

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

Employees responsible for collecting cash are not responsible for preparing/making bank deposits.

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

Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger.

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

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

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

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

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
Not applicable as all collections are noncash and checks received through the mail.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
Traced supporting documentation to the deposit slip noting no exceptions.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
Traced the deposit slip totals to the actual deposit per the bank statement noting no exceptions.
 - 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).
Observed that the deposits were made within one business day of receipt at the collection location.
 - v. Trace the actual deposit per the bank statement to the general ledger.
Traced the actual deposits per the bank statement to the general ledger noting no exceptions.

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).
Obtained a listing of locations that process payments for the fiscal period, and management provided representation that the listing is complete. Selected all locations that process payments as there were less than 5.
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that
- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.
 - ii. At least two employees are involved in processing and approving payments to vendors;
Obtained written policies and procedures and observed that job duties are properly segregated regarding the functions noted above.

- 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;
Obtained written policies and procedures and observed that the job duties are properly segregated regarding the functions noted above.
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
Obtained written policies and procedures and observed that the job duties are properly segregated regarding the functions noted above.
 - 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.
Obtained written policies and procedures and observed that the job duties are properly segregated regarding the functions noted above.
- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity, and
Observed that the disbursement matched the related original itemized invoice and that supporting documentation indicates that deliverables on the invoice were received by the Agency.
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.
Observed that the disbursement documentation included evidence of segregation of duties tested.
- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.
Observed that each electronic disbursement was approved by only those persons authorized to disburse funds per the Agency's policy and approved by the required number of authorized signers per the Agency's policy.

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

This section is not applicable. Management asserted that the Agency did not have any credit cards, debit cards, fuel cards, and purchase cards for the fiscal period.

- 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 whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - 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 procedure #7B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

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 and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected
 - i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
Observed that approved reimbursement rates were no more than those established by the State of Louisiana or the U.S. General Services Administration.
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
Not applicable as all travel and travel-related reimbursements tested were reimbursed at a per diem rate and not actual costs.
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #IA(vii); and

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

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

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

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

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

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

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

Observed that the contracts were approved by the board.

- 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

Observed that original contract terms of amended contracts provided for such an amendment and that amendments were in compliance with contract terms.

- 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.

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

9) Payroll and Personnel

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

Obtained a listing of employees and officials employed during the fiscal period, and management provided representation the listing is complete. Randomly selected 5 employees, and agreed 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 or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
- i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
Observed that all selected employees documented their daily attendance and leave.
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
Observed that supervisors approved the attendance and leave of the selected employees and officials.
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
Observed that any leave accrued or taken during the pay period is reflected in the Agency's cumulative leave records.
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
Observed that the rate paid to the employees and officials agree to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
Management asserted that there were no employees or officials that received termination payments during the fiscal period.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.
Management provided representation that employer and employee portions of third-party payroll related amounts have been paid, and any associated forms have been filed, by required deadlines.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
- i. 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

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

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

Observed that the Agency maintains documentation which demonstrates that each employee selected for testing were notified of any changes to the Agency's ethics policy during the fiscal period.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

The Agency has appointed an ethics designee as required by R.S. 42:1170.

11) Debt Service

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

- 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).

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.

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

- 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.

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

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. Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government’s local server or network, and (c) was encrypted.
We performed the procedure and discussed the results with management.
 - 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 within the past 3 months.
We performed the procedure and discussed the results with management.
 - 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.
We performed the procedure and discussed the results with management.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.
Management asserted that there were no terminated employees.

14) Prevention of Sexual Harassment

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

- 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.

We were engaged by the Agency 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 Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 5, 2023