

**Rapides Council
on Aging, Inc.**

Alexandria, Louisiana

Year Ended June 30, 2023

*Financial Statements
and Supplementary Information*

and

Agreed-Upon Procedures

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William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Rapides Council on Aging, Inc.
Alexandria, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Rapides Council on Aging, Inc. (a nonprofit, quasi-public organization) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Rapides Council on Aging, Inc. 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 Opinion

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 Rapides Council on Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence supporting 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 Rapides Council on Aging, Inc.'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 Rapides Council on Aging, Inc.'s ability to continue as a going concern for a reasonable period of time

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my 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 Rapides Council on Aging, Inc.'s basic financial statements. The Non-Major schedule, Schedule of Fixed Assets, and Schedule of Compensation, Benefits, and Other Payments to Agency Head 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Non-Major schedule, Schedule of Fixed Assets, and Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2024, on our consideration of Rapides Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rapides Council on Aging, Inc.'s internal control over financial reporting and compliance.

William D. Mercer, CPA (APAC)

Baton Rouge, Louisiana
May 16, 2024

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AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Rapides Council on Aging, Inc.
Alexandria, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Rapides Council on Aging, Inc., as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Rapides Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated May 16, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 Rapides Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

William D. Mercer, CPA (APAC)

Baton Rouge, Louisiana

May 16, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended June 30, 2023

The following discussion and analysis of Rapides Council on Aging, Inc.'s financial performance provides an overview of the Council's financial activities for the year ended June 30, 2023. Please read it in conjunction with the financial statements, which begin on page 13.

Financial Highlights

- The Council showed a net increase in overall net position of \$ 243,030 or 49.3% this year.
- Net capital assets of the Council decreased by \$ 14,970 or 13.2%.
- No deficit fund balances exist at year-end
- The unassigned fund balance for the Council's General Fund was \$ 663,083 at year-end, which is an increase of \$ 142,487 from the prior year.

How to Use this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 13-15 provide information about the activities of the Council as a whole and present a longer-term view of the Council's finances. Fund financial statements begin on page 16. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide statements by providing information about the Council's most significant funds.

Our auditor has provided assurance in their independent auditor's report, located prior to this Management's Discussion and Analysis, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance about supplementary financial information required by GASB Statement 34 and supplementary information required by GOEA that follow later in the 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

Reporting the Council as a Whole Using Government-Wide Statements

Our analysis of the Council as a whole begins on page 13. An important question to ask about the Council's finances is "Is the Council as a whole better off or worse off as a result of the 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 Council as a whole and about its activities in a way that helps answer this question. 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. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide statements can be found on pages 13-15 and report the Council's net assets and changes in them. Some of the net position may be restricted, which means they can only be used for a specific purpose. The Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, a reader should consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include 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, and utility assistance. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Reporting the Council's Most Significant Funds Using Fund Financial Statements

Our analysis of the Council's governmental funds begins on page 16. The fund financial statements can be found on pages 16 to 20 and provide detailed information about the most significant funds, not the Council as a whole. In the fund financial statements, you will see a General Fund and a variety of Special Revenue Funds. The General Fund is used to account for proceeds that are not legally restricted to expenditure for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes, or we can show that the fund is meeting legal responsibilities for using certain grants 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 balance 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 Council's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. We have presented the difference between the net position of governmental activities and the fund balances of the governmental funds in a reconciliation following the Balance Sheet for Governmental Funds. In addition, the difference between the change in net position for the governmental funds and the change in net position for the governmental activities fund has been presented in a reconciliation following the Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental 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 can be found on pages 21-33. You should read the notes before making assumptions or drawing conclusions about the Council's financial condition.

Supplementary Information Required by GASB Statement 34

The Governmental Accounting Standards Board (GASB) Statement No 34 requires budgetary comparison schedules for the General Fund and each major special revenue fund that has a legally adopted annual budget. These schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. The Council has also opted to present positive and negative variances between the final budget and actual amounts.

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 which the Council believes is important to present for the Council's financial statement users.

Management's Discussion and Analysis is also required supplementary information (RSI) by GASB Statement 34. However, it is presented separately in this reporting package and not with the other required supplementary information.

Other Supplementary Information Required by GOEA

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

The Governor's Office of Elderly Affairs (GOEA) requires the Council to present as schedules the information on pages 40-41. This information will be used by GOEA to verify the accuracy of information the Council submitted to it during the year and to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

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

The following reflects condensed information on the Council's net position as of June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>\$ change</u>	<u>% change</u>
Current assets	\$ 713,161	\$ 524,107	\$ 189,054	36.1%
Capital assets, net	98,528	113,498	(14,970)	(13.2%)
Total assets	<u>811,689</u>	<u>637,605</u>	<u>174,084</u>	27.3%
Current liabilities	24,016	91,894	(67,878)	(73.9%)
Other liabilities	52,143	53,211	(1,068)	(2.0%)
Total liabilities	<u>76,159</u>	<u>145,105</u>	<u>(68,946)</u>	(47.5%)
Invested in capital assets	98,528	113,498	(14,970)	(13.2%)
Restricted	-	943	(943)	(100.0%)
Unrestricted	<u>637,002</u>	<u>378,059</u>	<u>258,943</u>	68.5%
Total net position	<u>\$ 735,530</u>	<u>\$ 492,500</u>	<u>\$ 243,030</u>	49.3%

As of June 30, 2023, the Council as a whole had assets greater than its liabilities in the amount of \$735,530. The Council's total net position increased from \$ 492,500 to \$735,530, an increase of 49.3%.

The Council's unrestricted net position increased by \$258,943 or 68.5% from the prior year. Approximately 86% of the Council's net position is unrestricted as of June 30, 2023. It is important the Council has unrestricted net position so that we will have resources available to adapt to changes in the economy, emergencies, unexpected needs, and reduction or termination of grant revenues by government agencies

The Council's restricted net position decreased from \$943 to zero. Net position is reported as restricted when the constraints placed upon the asset's use are either (a) externally restricted by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that has been invested in capital assets are presented net of any related outstanding debt incurred to acquire them.

Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local monies. These revenues amount to approximately 93% of the revenues for the Council in 2023 and 98% in 2022. Some of these grants are restricted, which means 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 on the level of service by the Council under terms of the particular grant award.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues represented 4.5% and 1% of the total revenues of 2023 and 2022, respectively.

The Council 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 Council's operations. As noted therein, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Rapides Parish. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

Analysis of the Council's Funds Using Governmental Fund Financial Statements

Fund Balances

The Council reported a combined governmental fund balance of \$ 663,083 (as shown on the fund financial statement's balance sheet at page 16) at the end of this year, which is an increase of \$ 230,870. The Council's general fund increased by \$ 231,807, while the special revenue funds had a decrease in combined fund balance of \$ 943.

In addition, the general fund also transferred funds to cover the deficits of some of the special revenue funds. The transfers to the special revenue funds are the main reason for the decrease in the general fund balance this year.

Revenues

The combined fund revenues increased \$ 240,082 this year compared to last year, or an increase of 27.3%.

Expenditures

Total expenditures increased by \$ 101,279 this year, or an increase of 12.9% compared to last year.

Analysis of the General Fund Budget

The original and final budgets for the General Fund, Title III-B, and Title III C-2 funds are located in the Supplementary Financial Information Required by GASB Statement 34 section of this report, on pages 35 to 38. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast made at the beginning of the year, if necessary.

Analysis of Capital Asset and Debt Administration

At the end of the year, the Council had \$ 98,528 in capital assets net of accumulated depreciation of \$371,331. This amounts to a net decrease of \$ 14,970 from last year.

Economic Factors and Next Year's Budgets

The Council receives most of its funding from federal and state agencies passed through the Cenla Area Agency on Aging, Inc. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council and, therefore, revenues may vary from year to year. In setting the budget for fiscal year 2024, it is important that we deliver at least the same level of service to our clients and the public as we did in 2023. All of the Council's grants and contracts from the usual federal and state agencies have been approved for fiscal year 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. There are no plans to add any significant programs for the next year.

Contacting the Council's Management

This financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it received. If you have any questions about this report or wish to ask for more information, you should contact Tamechia Beemon, the Council's Executive Director, at the Council's main office located at 204 Chester Street, Alexandria, Louisiana, or by phone at (318) 445-7985.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

STATEMENT OF NET POSITION

June 30, 2023

ASSETS

Cash and equivalents	\$	669,820
Grants and contracts receivable		17,055
Other receivables		224
Contingent receivable		26,062
Capital assets, net of accumulated depreciation		<u>98,528</u>

TOTAL ASSETS

811,689

LIABILITIES

Accounts payable		10,234
Payroll withholdings and accruals		13,782
Compensated absences payable		<u>52,143</u>

TOTAL LIABILITIES

76,159

NET POSITION

Investment in capital assets		98,528
Unrestricted		<u>637,002</u>

TOTAL NET POSITION

\$ 735,530

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC
Alexandria, Louisiana

STATEMENT OF ACTIVITIES

Year Ended December 31, 2023

Function/Programs	Direct Expenses	Indirect Expenses	Program Revenues		Net Revenues (Expenses)
			Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Health, Welfare & Social Services					
Information and assistance	\$ 19,152	\$ 29,037	\$ 9,158	\$ -	\$(39,031)
Outreach	8,649	12,974	4,109	-	(17,514)
Transportation	60,547	92,364	29,059	-	(123,852)
Other services	34,290	51,898	16,379	-	(69,809)
Nutrition Services:					
Home delivered meals	117,485	179,420	70,064	-	(226,841)
Utility assistance	42,849	-	21,663	-	(21,186)
National Family Caregiver Support:					
Respite care	31,318	47,953	25,752	-	(53,519)
Other services	9,344	14,068	7,576	-	(15,836)
Administrative	-	125,009	-	-	(125,009)
Total governmental activities	\$ 323,634	\$ 552,723	\$ 183,760	\$ -	(692,597)
General revenues:					
Grants and contributions not restricted to specific programs					935,627
Investment income					-
Total General Revenues					935,627

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC
Alexandria, Louisiana

STATEMENT OF ACTIVITIES (continued)

Year Ended June 30, 2023

Change in net position	243,030
Net position, beginning of year	<u>492,500</u>
Net position, end of year	\$ <u><u>735,530</u></u>

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC
Alexandria, Louisiana

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2023

	General Fund	Title III B	Title III C-2	Title III-E	Non-major Funds	Total
<u>ASSETS</u>						
Cash and equivalents	\$ 669,820	\$ -	\$ -	\$ -	\$ -	\$ 669,820
Grants and contracts receivable	-	-	17,055	-	-	17,055
Other receivables	224	-	-	-	-	224
Due from Special Revenue Funds	<u>17,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,055</u>
TOTAL ASSETS	<u>687,099</u>	<u>-</u>	<u>17,055</u>	<u>-</u>	<u>-</u>	<u>704,154</u>
<u>LIABILITIES</u>						
Accounts payable	10,234	-	-	-	-	10,234
Payroll withholdings and accruals	13,782	-	-	-	-	13,782
Due to General Fund	<u>-</u>	<u>-</u>	<u>17,055</u>	<u>-</u>	<u>-</u>	<u>17,055</u>
TOTAL LIABILITIES	<u>24,016</u>	<u>-</u>	<u>17,055</u>	<u>-</u>	<u>-</u>	<u>41,071</u>
<u>FUND BALANCES</u>						
Restricted for						
Utility assistance	-	-	-	-	-	-
Unassigned	<u>663,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>663,083</u>
TOTAL FUND BALANCES	<u>\$ 663,083</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 663,083</u>

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

RECONCILIATION OF GOVERNMENTAL FUND BALANCE SHEET TO
THE STATEMENT OF NET POSITION
June 30, 2023

Fund balance – Governmental Fund	\$	663,083
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund. These assets consist of:		
Costs of capital assets		469,859
Accumulated depreciation	(371,331)
Noncurrent receivables are not expected to be received during the current period and therefore not reported in the governmental activity in the fund		
		26,062
Long-term liabilities, including compensated absences, are not due in the current period and therefore are not reported in the governmental activity in the fund:		
Compensated absences	(<u>52,143</u>)
Net position of governmental entity	\$	<u>735,530</u>

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC
Alexandria, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
INI FUND BALANCES – GOVERNMENTAL FUNDS
Year ended June 30, 2023

	General Fund	Title III B	Title III C-2	Title III-E	Non-major Funds	Total
Revenues						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Passed through Cenla Area Agency on Aging, Inc.	-	56,608	63,122	32,168	-	151,898
Police Jury	793,150	-	-	-	-	793,150
Public Support:						
City of Pineville	-	-	1,200	-	-	1,200
Client and other contributions	42,028	2,097	5,704	1,160	21,663	72,652
Other	449	-	38	-	-	487
Total Revenues	<u>935,627</u>	<u>58,705</u>	<u>70,064</u>	<u>33,328</u>	<u>21,663</u>	<u>1,119,387</u>
Expenditures						
Health, Welfare, and Social Services						
Salaries	19,694	231,196	161,447	76,889	-	489,226
Fringe	1,737	18,802	13,597	6,494	-	40,630
Travel	-	310	(703)	6,583	-	6,190
Operating services	78,689	41,359	113,074	11,764	-	244,886
Operating supplies	10,987	17,244	9,490	953	-	38,674
Other costs	26,062	-	-	-	42,849	68,911
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>137,169</u>	<u>308,911</u>	<u>296,905</u>	<u>102,683</u>	<u>42,849</u>	<u>888,517</u>

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC
Alexandria, Louisiana

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
INI FUND BALANCES – GOVERNMENTAL FUNDS (continued)
Year ended June 30, 2023

	General Fund	Title III B	Title III C-2	Title III-E	Non-major Funds	Total
Excess (Deficiency) of Revenues Over Expenditures	798,458	(250,206)	(226,841)	(69,355)	(21,186)	230,870
Other Financing Sources (Uses)						
Operating transfers in	-	250,206	226,841	69,355	20,249	566,651
Operating transfers out	(566,651)	-	-	-	-	(566,651)
Total Other Financing Sources (Uses)	(566,651)	250,206	236,841	69,445	20,249	-
Net Increase (Decrease) in Fund Balances	231,807	-	-	-	(937)	230,870
Fund Balance, beginning of year	431,276	-	-	-	937	432,213
Fund Balance, end of year	\$ 663,083	\$ -	\$ -	\$ -	\$ -	\$ 663,083

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2023

Net change in fund balance – total governmental funds	\$ 230,870
Amounts reported for governmental activity in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	-
Depreciation expense	(14,970)
Contingent receivable not expected to be collected within one year are expensed in the current year for governmental fund financial statements	26,062
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.	
Decrease in compensated absences payable	<u>1,068</u>
Change in net position of governmental activity	\$ <u>243,030</u>

The accompanying notes are an integral part of these financial statements.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Rapides Parish Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standard Board (FASB). The following is a summary of the significant accounting policies used by the Council.

Purpose of the Council on Aging

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

Specific services provided by the Council to the elderly residents of the parish include providing home delivered meals, nutritional education, wellness, information and assistance, outreach, chore, telephoning, medication management, utility assistance, recreation, transportation, sitter, and in-home respite.

Reporting Entity

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

The Council is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on July 8, 1969. A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the parish's elderly population, general public, private businesses, and elected public officials. Board members are elected annually.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Based on the criteria set forth in GASB Statement 14, the Council on Aging is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget must be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented rather than substantive.

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

Presentation of Statements

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

The Council's financial statements are presented in accordance with Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments which include the following.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Government-wide financial statements prepared using full accrual accounting for all the Council's activities.
- A change in the fund financial statements to focus on the major funds

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements) The Council was required to implement the general provisions of GASB Statement No 34 in the fiscal year ended June 30, 2004.

Government-Wide Financial Statements

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

In the government-wide Statement of Net Position, the governmental type activities column is presented on a consolidated basis by column and is reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts—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 assets with constraints placed on the use either by (1) external groups, such as creditors, grantor, contributors, or laws and regulations of other governments, or (2) law through constitutional provision 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."

The Council's policy is to use restricted resources first to fund its activities. 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 Council will depart from its usual policy of using restricted resources first.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. The Statement of Activities presents this allocation in a separate column labeled indirect expenses. In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The government-wide statements focus on the Council's ability to sustain operations and the change in its net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the fund financial statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

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

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental fund equity is classified as fund balance. Fund balance is further classified on a hierarchy that shows, from the highest to the lowest, the level or form of constraints on fund balance and, accordingly, the extent to which the Council is bound to honor them, as follows:

- *Nonspendable* – This classification includes amounts that cannot be spent because they are either in not spendable form or they are legally or contractually required to be maintained intact.
- *Restricted* – This classification includes amounts for which constraints have been placed on the use of resources either externally or imposed by law
- *Committed* – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council's board of directors.
- *Assigned* – This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed
- *Unassigned* – This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund

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

- The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs that comprise the General Fund:
 - Local fund – This fund is used to account for revenues that are not required to be accounted for in a specific program or fund. These funds are mostly unrestricted and can be used at management's discretion. Local funds are often transferred to other programs to eliminate deficits.
 - PCOA fund – PCOA funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council through GOEA. The Council may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people of at least 60 years of age.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING 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 specific purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Resources-Administration on Aging to the Governor's Office of Elderly Affairs, which in turn passes through the funds to the Cenla Area Agency on Aging, which passes through the funds to the Council on a predetermined unit cost reimbursement basis.

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

Major Special Revenue Funds

The Title III B Fund is used to account for funds which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III B program. Specific services are information and assistance, outreach, chore, telephoning, transportation, and utility assistance.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. The Council served 75,310 meals during the year to people eligible to participate in this program.

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

Non-Major Special Revenue Funds

The Utility Assistance Fund is used to account for the administration of utility assistance that is sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Parish Councils on Aging to provide assistance to the elderly for the payment of utility bills. The Council receives its donations directly from Cleco Corporation.

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.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accrual Basis – Government Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange 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. Government type funds 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 be used to pay liabilities of the current period. The Council 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 exception to this general rule is that principal and interest on long-term debt, if any, are recognized when due, and claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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 reported 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.

Use of Estimates

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

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.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

GASB Statement No. 31 requires the Council to reports its investments at fair value, except for investments in non-participating interest earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors

Investments that include securities traded on a national or international exchange are valued based on their last reported sales prices. Investments that do not have an established market are reported at estimated fair value

Capital Assets

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

Capital assets recorded in the government-wide financial statements are depreciated using the straight-line method for the assets estimated useful lives. The estimated useful lives of the various classes of capital assets are as follows:

Buildings	30 years
Building improvements	20 years
Computers	3 years
Equipment	5 – 10 years
Furniture	10 years
Vehicles	5 years

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

Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE A – PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Compensated Absences

Annual leave is earned by full-time employees and may be carried over into the next year at a rate of no more than 30 days accumulation. Part-time employees earn and vest at a pro-rata accumulation. Annual leave vests upon termination with six months of service. Regular full-time and regular part-time employees accrue rate at a rate of one day per month. Sick leave does not vest upon termination.

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 transfers 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.

NOTE B – REVENUE RECOGNITION

Revenues are recorded in the government-wide financial statements when they are earned under the accrual basis of accounting. In applying the susceptible to accrual concept, intergovernmental grant revenues, program service fees, and interest income are usually both measurable and available. However, the timing and amounts of the receipts are often difficult to measure, therefore, they are recorded as revenue in the period received.

NOTE C – CASH AND CASH EQUIVALENTS

The Council maintains a checking account at JPMorgan Chase Bank. The consolidated bank account is available for use by all funds. The purpose of this account is to reduce administration costs and facilitate cash balances to cover any negative cash balances in other funds at year end. At June 30, 2023, the balance of the Council's bank account totaled \$ 669,820. GASB Statement No. 3, as amended by GASB Statement No. 40, categorized the credit risk of these deposits as Category 1 and Category 2. The collected bank balance totaled \$690,473. At June 30, 2023, the Council's bank balance is federally insured by FDIC for up to \$ 250,000.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE D – CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal state, or local funds, such amounts being measurable and collected within 60 days of year end.

Government grants and contracts receivable at year end consist of the following:

Title C-2	\$	17,055
Title III-B		<u>-</u>
Total	\$	<u>17,055</u>

These receivables are special revenue funds passed through from the Cenla Area Agency on Aging.

NOTE E – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2023, follows

	Balance, July 1, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2023</u>
Buildings	\$ 221,909	-	-	\$ 221,909
Furniture and equipment	55,142	-	-	55,142
Computer software	4,874	-	-	4,874
Leasehold improvements	9,595	-	-	9,595
Vehicles	<u>178,339</u>	-	-	<u>178,339</u>
	\$ <u>469,859</u>	-	-	\$ <u>469,859</u>

Depreciation was charged to governmental activities as follows

Transportation	\$	2,086
Senior activities		<u>12,884</u>
	\$	<u>14,970</u>

Accumulated depreciation at year end totaled \$ 371,331.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE F – CONTINGENCIES

Judgments, Claims, and Similar Contingencies

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

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

Grant Programs

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

NOTE G – ECONOMIC DEPENDENCY

The Council receives the majority of its revenue through grants from the Louisiana Governor's Office of Elderly Affairs and awarded to the Cenla Area Agency on Aging, Inc., who awards these grants to the Council on a per unit of service provided. The grant amounts are appropriated each year by federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive next year.

NOTE H – RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended June 30, 2023.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE I- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Council's financial assets as of June 30, 2023, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the date of the statement of financial position. Amounts that are not available also include board designated amounts that could be utilized if the Board of Directors approved the use

Cash and cash equivalents	\$	669,820
Grants and contracts receivable		17,055
Contingent receivable		<u>224</u>
		<u>687,099</u>
Less amounts unavailable within one year due to		
Donor restrictions		-
Board imposed designations		<u>-</u>
		<u>-</u>
Financial assets available to meet cash needs for general expenses	\$	<u>687,099</u>

NOTE J – CONTINGENT RECEIVABLE

Previously, an employee of the Council misappropriated funds for their personal benefit. The amounts of misappropriation were identified in the records and adjusted accordingly. An amount of \$ 217,980 that occurred in the fiscal year ended June 30, 2021, and an amount of \$ 58,082 that occurred in the fiscal year ended June 30, 2022, was recorded as a receivable in the financial statements. An insurance payment totaling \$ 250,000 was received against this receivable during the current fiscal period. As of June 30, 2023, a balance due on this receivable of \$ 26,062 was still outstanding. Management is not certain what amount of this remaining balance, if any, is recoverable as of the date of this report.

NOTE K – COMPENSATION PAID TO BOARD MEMBERS

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

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

NOTES TO THE FINANCIAL STATEMENTS

NOTE L – INCOME TAX STATUS

The Council, a nonprofit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as an organization other than a private foundation. The Council, therefore, is not subject to income taxes. However, income from activities not directly related to the Council's tax-exempt purpose is subject to taxation as unrelated business income. The Council had no such income for the year ended June 30, 2023.

NOTE N – EVALUATION OF SUBSEQUENT EVENTS

Subsequent events were evaluated through May 16, 2024, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
REVENUES:				
Governor's Office of				
Elderly Affairs	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
Police Jury	405,118	405,118	793,150	388,032
Other contributions	-	-	42,028	42,028
Other revenues	-	-	449	449
Total Revenues	<u>505,118</u>	<u>505,118</u>	<u>935,627</u>	<u>430,509</u>
EXPENDITURES				
Current				
Salaries	-	-	19,694	(19,694)
Fringe benefits	-	-	1,737	(1,737)
Operating services	-	-	76,689	(76,869)
Operating supplies	-	-	10,987	(10,987)
Other	-	-	26,062	(26,062)
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>137,169</u>	<u>(137,169)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(573,429)	(573,429)	(566,651)	6,778
Total other financing sources (uses)	<u>(573,429)</u>	<u>(573,429)</u>	<u>(566,651)</u>	<u>6,688</u>
Net change in fund balance	(68,311)	(68,311)	231,807	300,118
Fund balance, beginning of year	<u>431,276</u>	<u>431,276</u>	<u>431,276</u>	<u>-</u>
Fund balance, end of year	\$ <u>362,965</u>	\$ <u>362,965</u>	\$ <u>663,083</u>	\$ <u>300,118</u>

See auditor's report on supplementary information.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

BUDGETARY COMPARISON SCHEDULE – TITLE III B FUND

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Governor's Office of Elderly Affairs Passed through Cenla Area Agency on Aging	\$ -	\$ -	\$ -	\$ -
Other contributions	130,573	130,573	56,608	(73,965)
	<u>200</u>	<u>200</u>	<u>2,097</u>	<u>1,897</u>
Total Revenues	<u>130,773</u>	<u>130,773</u>	<u>58,705</u>	<u>(72,068)</u>
EXPENDITURES				
Current				
Salaries	192,261	192,261	231,196	(38,935)
Fringe benefits	17,063	17,063	18,802	(1,739)
Travel	-	-	310	(310)
Operating services	35,737	35,737	41,359	(5,622)
Operating supplies	7,332	7,332	17,244	(9,912)
Other	4,093	4,093	-	4,093
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>281,643</u>	<u>281,643</u>	<u>308,911</u>	<u>(27,268)</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(150,870)</u>	<u>(150,870)</u>	<u>(250,206)</u>	<u>(99,336)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	150,870	150,870	250,206	99,336
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>150,870</u>	<u>150,870</u>	<u>250,206</u>	<u>99,336</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See auditor's report on supplementary information.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

BUDGETARY COMPARISON SCHEDULE – TITLE III C-2 FUND

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Governor's Office of Elderly Affairs Passed through Cenla Area	\$ -	\$ -	\$ -	\$ -
Agency on Aging	231,818	231,818	63,122	(168,696)
City of Pineville	1,200	1,200	1,200	-
Other contributions	4,000	4,000	5,704	1,704
Other revenues	-	-	38	38
Total Revenues	<u>237,018</u>	<u>237,018</u>	<u>70,064</u>	<u>(166,954)</u>
EXPENDITURES:				
Current				
Salaries	111,884	111,884	161,447	(49,563)
Fringe benefits	9,385	9,385	13,597	(4,212)
Travel	-	-	(703)	703
Operating services	337,821	337,821	113,074	224,747
Operating supplies	9,133	9,133	9,040	93
Other	2,978	2,978	-	2,978
Capital outlay	-	-	-	-
Total Expenditures	<u>559,221</u>	<u>559,221</u>	<u>296,905</u>	<u>262,316</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(322,203)</u>	<u>(322,203)</u>	<u>(226,841)</u>	<u>95,362</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	322,203	322,203	226,841	(95,362)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>322,203</u>	<u>322,203</u>	<u>226,841</u>	<u>(95,362)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

See auditor's report on supplementary information.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

BUDGETARY COMPARISON SCHEDULE – TITLE III 3 FUND

Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Governor's Office of Elderly Affairs Passed Through Cenla Area Agency on Aging	\$ -	\$ -	\$ -	\$ -
Other contributions	74,096	74,096	32,168	(41,928)
Other revenues	-	-	1,160	1,160
Total Revenues	<u>74,096</u>	<u>74,096</u>	<u>33,328</u>	<u>(40,768)</u>
EXPENDITURES				
Current.				
Salaries	332,588	332,588	76,889	255,699
Fringe benefits	27,143	27,143	6,494	20,649
Travel	8,500	8,500	6,583	1,917
Operating services	21,463	21,463	11,764	9,699
Operating supplies	4,565	4,565	953	3,612
Other	7,034	7,034	-	7,034
Capital outlay	-	-	-	-
Total Expenditures	<u>401,293</u>	<u>401,293</u>	<u>102,683</u>	<u>298,610</u>
Excess (Deficiency) of Revenues Over Expenditures	(327,197)	(327,197)	(69,445)	257,842
OTHER FINANCING SOURCES (USES):				
Transfers in	327,197	327,197	69,355	(257,842)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>327,197</u>	<u>327,197</u>	<u>69,355</u>	<u>(257,842)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

See auditor's report on supplementary information.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS

Year Ended June 30, 2023

	<u>Utility Assistance</u>
REVENUES	
Intergovernmental:	
Passed Through Cenla Area on Aging	\$ -
Public support:	
CLECO	21,663
Other	<u>-</u>
Total Revenues	<u>21,663</u>
EXPENDITURES	
Current	
Salaries	-
Fringe benefits	-
Travel	-
Operating services	-
Operating supplies	-
Utility assistance	<u>42,849</u>
Total Expenditures	<u>42,849</u>
Excess (Deficiency) of Revenues Over Expenditures	(<u>21,186</u>)
OTHER FINANCING SOURCES (USES)	
Transfers in	20,249
Transfers out	<u>-</u>
Total Other Financing Sources (Uses)	<u>20,249</u>
Net Increase (Decrease) in Fund Balances	(937)
Fund balance beginning of year	<u>937</u>
Fund balance, end of year	\$ <u>-</u>

See auditor's report on supplementary information.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND
CHANGES IN FIXED ASSETS

Year Ended June 30, 2023

	Balance July 1, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30 <u>2023</u>
GENERAL FIXED ASSETS, at cost:				
Buildings	\$ 221,909	\$ -	\$ -	\$ 221,909
Computer software	4,874	-	-	4,874
Furniture and equipment	55,142	-	-	55,142
Improvements	9,595	-	-	9,595
Vehicles	<u>178,339</u>	<u>-</u>	<u>-</u>	<u>178,339</u>
Total General Fixed Assets	\$ <u>469,859</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>469,859</u>
INVESTMENT IN GENERAL FIXED ASSETS:				
PCOA	\$ 50,458	\$ -	\$ -	\$ 50,458
Title III-B	19,751	-	-	19,751
General	<u>399,650</u>	<u>-</u>	<u>-</u>	<u>399,650</u>
Total Investment in General Fixed Assets	\$ <u>466,406</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>466,406</u>

See auditor's report on supplementary information.

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

SCHEDULE OF FINDINGS

Year Ended June 30, 2023

FINDING NO 2023 – 001 – REPORT SUBMISSION

Condition: The Council did not submit audited financial statements to the Louisiana Legislative Auditor within the period prescribed by applicable regulations. The submission of this report will meet the applicable requirements. A similar finding was noted in the prior report (see Schedule of Prior Year Findings)

Criteria: Financial statements should be submitted to the Louisiana Legislative Auditor within six months of the end of the organization's fiscal year (Louisiana R.S. 24:514).

Cause: The Council timely secured the services of an independent auditor. However, unexpected delays were encountered obtaining evidence related to the audited financial statements and agreed-upon procedures engagements which resulted in delays in completing the engagements.

Effect: The Council is responsible for compliance with financial statement reporting requirements and is not in compliance with those requirements.

Recommendation: The submission of these financial statements will satisfy the reporting requirements for the year ended June 30, 2023. As noted above, unexpected delays were encountered during the performance of the audit and agreed-upon procedure engagements, resulting in the late submission of these reports. The Council should work with its independent auditor to ensure timely completion and submission of future reports.

RAPIDES COUNCIL ON AGING, INC.

Alexandria, Louisiana

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2023

Findings noted in the prior auditor's report dated January 18, 2023, for the year ended June 30, 2022, were as follows.

Finding 2022-01 – Control Over Financial Reporting and Reconciliations

For the year ended June 30, 2022, financial reports were not prepared and maintained on a monthly basis. Additionally, bank reconciliations were not prepared by a person independent from the receipts and disbursement functions on a monthly basis, and in some cases not prepared at all. It was recommended the Council take immediate steps to ensure the books of account are prepared and maintained and general ledgers accounts are reconciled on a monthly basis. It was also recommended the Council follow their written accounting policies and procedures and where none exist, they develop policies and procedures to address all areas of weakness. No similar finding was noted in the current audit period.

Finding 2002-02 – Control Over Cash Disbursements

For the year ended June 30, 2022, bank reconciliations were not prepared and reviewed on a monthly basis and purchases and bank debits were not approved and reviewed by a person independent from the cash disbursements function. The Council discovered a misappropriation of disbursements by an employee for the employee's personal benefit over a five-month period of time. Bank statements were received and manipulated by the employee to cover the misappropriations. It was recommended the Council have written accounting policies and procedures related to procurement and disbursements that require the use of a check request with necessary approvals, adequate supporting documentation, and timely payment and recording of transactions. No similar finding was noted in the current audit period.

Finding 2002-03 – Late Payment of Employment Taxes

Employee and employer payroll taxes were not timely remitted to the federal government as required by statute. It was recommended that the Council develop policies and procedures to ensure that all employment returns and related taxes are timely filed and remitted in accordance with federal regulations. No similar finding was noted in the current audit period.

Finding 2002-04 – Failure to Complete Audit Report within Six Months After Year End

The Council failed to submit the required audit report to the Louisiana Legislative Auditor within six months after the close of the Council's year end. Accounting records were not available in a timely manner to meet the filing deadline. It was recommended the Council ensure it complies with applicable statutes. A similar finding was noted in the current audit period (see Schedule of Audit Findings).

SUPPLEMENTARY INFORMATION

RAPIDES COUNCIL ON AGING, INC.
Alexandria, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
Year Ended June 30, 2023

Agency Head: Tamechia Beemon, Executive Director

Purpose:	Amount:
Salary	\$ 71,011
Benefits – insurance	None
Benefits – retirement	None
Benefits – payroll taxes	\$ 5,551
Car allowance	None
Vehicle provided by government	None
Per diem	None
Reimbursements	None
Travel	None
Registration fees	None
Conference travel	None
Continuing professional education fees	None
Housing	None
Unvouchered expenses	None
Special needs	None

See auditor's report on supplementary information

William D. Mercer, APAC
CERTIFIED PUBLIC ACCOUNTANT

MEMBER OF:
AMERICAN INSTITUTE
AND SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners of Rapides Council on Aging, Inc.
and the Louisiana Legislative Auditor
Alexandria, Louisiana

We have performed the procedures enumerated below related to the Rapides Council on Aging, Inc.'s internal controls and compliance with certain laws and regulations for the fiscal period July 1, 2022 through June 30, 2023. Rapides Council on Aging, Inc.'s management is responsible for its financial records and establishing internal controls to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds.

Rapides Council on Aging, Inc., has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the controls that Rapides Council on Aging, Inc. uses to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for their 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.
 - ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes
 - iii. ***Disbursements***, including processing, reviewing, and approving.

- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

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
 - 1. Observe that the board finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

- ii. For those entities reporting on the governmental accounting model, observe 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.*
- 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.
- 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.

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);
 - 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
 - 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.

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).
- 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;

- 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;
 - 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
 - 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.
- 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.
- 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.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer)
 - v. Trace the actual deposit per the bank statement to the general ledger.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5)
- B. For each location selected under 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;
 - ii. At least two employees are involved in processing and approving payments to vendors;

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.
- C. For each location selected under 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
 - 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.
- 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.

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

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe 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);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving 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;
 - 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).

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

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.
- 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);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe the rate paid to the employees or officials agrees to the authorized salary pay rate found within the personnel file.
- C. Obtain a listing of those employees 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.
- 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.

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

11) Debt Service

- 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.
- 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.

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

- 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.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

14) Prevention of Sexual Harassment

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

For the period under examination, exceptions to the above agreed-upon procedures were as follows:

- **Written Policies and Procedures** – Written policies and procedures that included the enumerated areas were not provided
- **Board or Finance Committee** – The agency's board met ten months during the period under examination. Of those meetings, one month (July 2022) indicated a review of financial statements and public funds, and one month of board minutes were not provided, as they appear to have been misplaced.

- **Non-payroll Disbursements** – Examination of electronic disbursements as described above revealed three disbursements which did not indicate approval or review.
- **Prevention of Sexual Harassment** – The agency's required annual sexual harassment report was not provided.

No exceptions were noted in the other procedures listed above.

We were engaged by Rapides Council on Aging, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting findings based on the procedures performed. 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 Rapides Council on Aging, Inc.'s internal controls compliance with laws and regulations. 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 Rapides Council on Aging, Inc. and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Louisiana Legislative Auditor and Rapides Council on Aging, Inc., and is not intended to be, and should not be, used by anyone other than these specified parties. Under R.S. 24.513, this report is distributed by the Louisiana Legislative Auditor as a public document.

William D. Mercer, CPA (APAC)

Baton Rouge, Louisiana
May 16, 2024