

Financial Report

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana**

June 30, 2023

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Independent Auditor's Report

The Board of Directors of the
Tangipahoa Voluntary Council on Aging, Inc.
Amite, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging, Inc., Amite, Louisiana (the "TVCOA"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the TVCOA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the TVCOA as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the TVCOA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Change in Accounting Principle

As described in Note U to the financial statements, in 2023, the TVCOA adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 including examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the effectiveness of the TVCOA'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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the TVCOA'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 on pages 8 through 22 and budgetary comparison information on pages 62 through 67 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

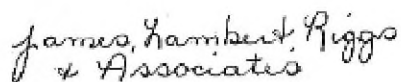
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the TVCOA's basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; the Schedule of Compensation, Benefits, and Other Payments to the Council's Executive Director; and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200,

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management as was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; the Schedule of Compensation, Benefits, and Other Payments to the Council’s Executive Director; and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024, on our consideration of the TVCOA’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the TVCOA’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the TVCOA’s internal control over financial reporting and compliance.

Handwritten signature of James Lambert Riggs in cursive script.

James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

January 18, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS
The Tangipahoa Voluntary Council on Aging
June 30, 2023

The following discussion and analysis of The Tangipahoa Voluntary Council on Aging's (the Council) financial performance provides management's overview and analysis of the Council's financial performance and activities for the year ended June 30, 2023. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council showed an increase in overall net position of \$250,831 or about 31%.
- Net investment in capital assets decreased by \$3,637 or about 13%.
- Administrative expenses decreased this year by \$41,613 or about 11%.
- The unassigned fund balance for the Council's General Fund was \$980,276 at year-end, which is a \$222,306 increase from last year.
- Fund revenues increased by \$340,220 or about 27%.
- Fund expenditures increased by only \$290,420 or about 27.5%.
- No deficit fund balances existed at year-end.
- The Council had no long-term debt at year-end.

How to Use This Annual Report

The Council's annual financial report consists of seven main parts:

- (1) Management's discussion and analysis (this section),
- (2) The basic financial statements (government-wide, fund and footnotes),
- (3) Supplementary financial information required by GASB 34,
- (4) Supplementary financial information for GOEA analysis,
- (5) Supplementary financial information required by Louisiana law,
- (6) Supplementary financial information required by federal regulations, and
- (7) Auditor reports.

Government-wide financial statements are comprised of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B). These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the

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

government-wide financial statements by providing information about the Council's most significant funds.

The Council's auditor has provided assurance in his independent auditor's report, located immediately before this Management's Discussion and Analysis (MD & A), that the Basic Financial Statements are fairly stated. The auditor also mentions in his report that he has performed limited procedures about the MD&A and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (specifically, GASB Statement 34) in this reporting package but did not audit them and therefore expresses no opinion on them. Finally, the auditor states in his report that he has applied certain audit procedures to other supplementary financial information presented for purposes of additional analysis by state and federal agencies and that this information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 75 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

On page 77 of this reporting package is a third auditor's report. This report is on the Council's compliance for each major federal program and on the Council's internal control over compliance based on an audit of financial statements performed in accordance with *Government Auditing Standards* and the federal government's *Uniform Guidance*. In this report the auditor states that the Council complied in all material respects with compliance requirements that could have a direct and material effect on each of its major federal programs. In addition, the auditor did not identify any deficiencies in internal control over compliance that he considered to be material weaknesses. However, material weaknesses may exist that he did not identify.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements (Exhibits A and B) are prepared using the *accrual* basis of accounting and are designed to provide readers with a broad overview of the Council's finances

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

in a manner similar to a private sector business. When using these financial statements, the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements report the Council's net position and changes in them. However, to assess the overall financial position of the Council, the user must also consider 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 Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities. In these statements all changes in net position are reported as soon as the underlying events giving rise to the changes occur regardless of when cash is received or paid. Thus, revenues and expenses are reported for some items that will affect cash flows in future fiscal periods.

All of the Council's significant activities are reported in the Statement of Activities (Exhibit B), including a *Health, Welfare, and Social Services* function and an *Administration* function. The Health, Welfare, and Social Services function is comprised of five primary programs that include supportive social services, nutritional services, family caregiver support, senior citizen activities, and nonelderly public transportation. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (Exhibits C and D) focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

resources available at the end of the fiscal year. Accordingly, the governmental funds use the *modified accrual* basis of accounting. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund balance sheet presents a reconciliation between net position of governmental activities and fund balances of the governmental funds. A reconciliation between the change in fund balances for the governmental funds and the change in net position for the governmental activities is presented in Exhibit E. These two reconciliations will facilitate the comparison between governmental activities and fund operations.

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

The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from the Tangipahoa Parish Government (TPG), the cities of Hammond and Ponchatoula, CAAA, GOEA, the Louisiana Department of Transportation and Development (DOTD), program service fees for transportation, and a variety of public donations. General funds are often transferred to special revenue funds to help pay for expenditures that exceed their primary revenues.

All other funds are special revenue funds that are used to account for the proceeds of specific revenue sources which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues. All special revenue funds have no fund balance at year-end because all revenue received is expended in the same year.

The Council has presented the General Fund, Title III B Fund, Title III C-1 Fund, and Title III C-2 Fund as *major* governmental funds (See Exhibits C and D). All *nonmajor* governmental funds are presented in one column on the fund financial statements, titled *Nonmajor Funds*. A combining Schedule of Revenues, Expenditures, and Changes in Fund Balance of the nonmajor governmental funds can be found on page 69.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found beginning on page 30 of this report. They should be read before making assumptions or conclusions about the Council's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 62 to 66). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about nonmajor governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (see pages 69 and 70).

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513 A (3) to require a supplementary Schedule of Compensation, Reimbursements, Benefits and Other Payments to the Council's Executive Director (see page 72). This information is designed to allow the public to see what the Council's top employee has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

SUPPLEMENTARY INFORMATION REQUIRED BY FEDERAL UNIFORM GUIDANCE

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit requirement for Federal Awards requires a Schedule of Expenditures of Federal Awards (see page 77) to be included as supplemental information. This schedule will present information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

**AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

Condensed Statement of Net Position

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Current and Other Assets:				
Current Assets	\$ 1,093,886	\$ 793,054	\$ 300,832	37.93%
Other Assets	4,879	9,549	(4,670)	-48.91%
Capital Assets, net of depreciation	<u>23,888</u>	<u>27,525</u>	<u>(3,637)</u>	-13.21%
Total Assets	<u>1,122,653</u>	<u>830,128</u>	<u>292,525</u>	35.24%
Current Liabilities	<u>56,013</u>	<u>14,319</u>	<u>41,694</u>	291.18%
Total Liabilities	<u>56,013</u>	<u>14,319</u>	<u>41,694</u>	291.18%
Net Position:				
Net Investment in Capital Assets	23,888	27,525	(3,637)	-13.21%
Restricted	13,889	13,474	415	3.08%
Unrestricted	<u>1,028,863</u>	<u>774,810</u>	<u>254,053</u>	32.79%
Total Net Position	<u>\$ 1,066,640</u>	<u>\$ 815,809</u>	<u>\$ 250,831</u>	30.75%

As noted earlier, *net position* may serve over time as a useful indicator of the Council's financial condition. About 96% of the Council's net position is *unrestricted* at the end of 2023, whereas it was 92% at the end of 2022. The unrestricted net position also increased by \$254,053 this year. This indicates the Council's financial position has improved significantly since last year. Unrestricted assets are important because they provide management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grants and contracts by governmental agencies.

The Council's *restricted* net position did not change very much this year and represents about 1.3% of the Council's total net position as of the end of this year compared to 1.65% in 2022. Restricted net position indicates those assets, usually cash, that are only available for use by management for a specific purpose and cannot be used for general operations.

The *net investment in the capital assets* portion of net position is presented net of any related outstanding debt to acquire them. There is, however, no debt to be subtracted from the capital assets. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

2.2% of total net position at the end of 2023 compared to 3.3% at the end of 2022. This year's decrease of \$3,637 in capital assets indicates that depreciation of the Council's capital assets was more than capital asset acquisitions this year.

The table presented below illustrates a condensed presentation of the revenues and expenses that caused the increase in net position for FY 2023 and FY 2022, respectively.

	2023	% of 2023 Total	2022	% of 2022 Total	Increase (Decrease)
<u>REVENUES</u>					
Program Revenues:					
Charges for Services	\$ 7,458	0.46%	\$ 4,688	0.37%	\$ 2,770
Operating Grants & Contributions	1,084,085	67.48%	823,871	65.14%	260,214
Capital Grants & Contributions	0	0.00%	0	0.00%	0
General Revenues:					
Unrestricted Grants & Contributions	480,947	29.94%	428,626	33.89%	52,321
Gain on Sale of Vehicles	1,500	0.09%	0	0.00%	1,500
Miscellaneous Income	13,273	0.83%	6,693	0.53%	6,580
Interest Income	19,178	1.19%	842	0.07%	18,336
Total Revenues	<u>1,606,441</u>	<u>100.00%</u>	<u>1,264,720</u>	<u>100.00%</u>	<u>341,721</u>
<u>EXPENSES</u>					
Supportive Services:					
Transportation for the Elderly	346,243	25.54%	341,611	32.01%	4,632
Other Supportive Services	108,207	7.98%	66,414	6.22%	41,793
Nutrition Services:					
Congregate Meals	160,013	11.80%	68,503	6.42%	91,510
Home-delivered Meals	232,586	17.16%	122,561	11.48%	110,025
Transportation for the Non-elderly	157,456	11.62%	96,926	9.08%	60,530
Other Social Service Programs and Activities	25,805	1.90%	4,437	0.42%	21,368
Direct Administrative Expenses	325,300	24.00%	366,913	34.38%	(41,613)
Total Expenses	<u>1,355,610</u>	<u>100.00%</u>	<u>1,067,365</u>	<u>100.00%</u>	<u>288,245</u>
Increase (Decrease) in Net Position	<u>250,831</u>		<u>197,355</u>		<u>\$ 53,476</u>
Net Position, Beginning of the Year	815,809		618,454		
Net Position, End of the Year	<u>\$ 1,066,640</u>		<u>\$ 815,809</u>		

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the Council gets most of its revenues (about 67.5%) from **operating grants & contributions** that are specifically related to a program and must be used in the programs to which they relate. **Unrestricted grants and contributions** make up the second largest percentage (about 30%) of revenues and this revenue is available to management to use at its discretion. This

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

year, **interest income** was the third largest source of income. In past years, interest income wasn't very much but this year it made a significant leap (\$18,336) when compared to last year's total. This was due to the significant increase (approximately 3.6%) in the interest rate paid on funds invested in the Council's LAMP account. **Charges for services** arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged. The other sources of income are minor and require no discussion.

The expenses in the table have been presented by primary programs, with additional details about the significant subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service. What's interesting is how the virus pandemic affected the services that were provided last year versus this year. For example, last year's expenses by program are much lower across the board. This is because last year the Council was trying to reestablish its services in the wake of the virus so the demand for a variety of services was still not back to pre-pandemic levels. Once fears about the virus subsided the demand for services started to gain momentum and this translated into more costs per program.

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest program activities are supportive services, particularly elderly transportation, and nutrition services, particularly home-delivered meals. Accordingly, management allocates funds to these programs because those are the areas of greatest demand.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*.

The Council's ability to support all governmental activities relies heavily on general revenues. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows management's discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

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

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration costs from year-to-year, as well as calculating the percentage administration expenses bears in relation to total revenues. This year total administration expenses were \$325,300 or about 20% of total revenues whereas last year total administration expenses were \$366,913 or about 29% of total revenues. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs. Management would like to point out that last year administrative expenses were higher than expected and desired because the effects of the virus pandemic caused management to change how it had to operate. For example, some employees who were usually providing direct services had to be relegated to doing administrative work in order to keep them employed. Accordingly, their time had to be coded to the administrative function and not directly to a specific program service. Now that the adverse effects of the virus are behind us, our employees are back to providing more services and this has resulted in lowering our overall administration costs. In addition, the Council had much more revenue this year which has also contributed to better administrative statistics. Administrative costs and its percentage of gross revenues are within the range that management expected and are *in line* with those of a typical council on aging.

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

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$1,033,203, which is an increase of \$260,983 when compared to last year. Because none of the Council's special revenue funds have a fund balance at year-end, these overall totals also represent the totals for the Council's General Fund. The unassigned fund balance component of the General Fund is \$980,276 and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$13,889 of restricted resources and \$39,038 of nonspendable resources.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Revenues

The combined fund revenues decreased by \$48,987 this year, as shown in the table below.

	2023	% of 2023 Total	2022	% of 2022 Total	Increase/(Decrease)	
					Amount	Percent
Intergovernmental	\$ 1,473,230	91.79%	\$ 1,154,948	91.32%	\$ 318,282	27.56%
Public Support	91,441	5.70%	97,363	7.70%	(5,922)	-6.08%
Program Service Fees	7,458	0.46%	4,688	0.37%	2,770	59.09%
Interest Income	19,178	1.19%	842	0.07%	18,336	2177.67%
Miscellaneous	13,633	0.85%	6,879	0.54%	6,754	98.18%
Total Revenues	<u>\$ 1,604,940</u>	<u>100%</u>	<u>\$ 1,264,720</u>	<u>100%</u>	<u>\$ 340,220</u>	<u>26.90%</u>

The majority of the Council's activities were funded by federal, state, and local grants, which comprise the Council's **intergovernmental revenues**. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year-to-year, however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award.

Although the overall increase of \$318,282 in intergovernmental revenue was more than 27% from last year, the components of intergovernmental revenue had significant changes. The two most notable changes that account for the overall increase were (1) an increase in American Rescue Plan (ARP) grant revenue of \$296,066 and (2) an increase in PCOA funds of \$20,000.

The Council also received donations from its clients and the general public. This **public support** revenue helps to lessen the financial burden on the Council and allows it to maintain its usual services. The overall public support decreased by \$5,922 when FY 2023 amounts are compared to FY 2022 amounts. Last year, the Council received one large donation of \$10,000 from United Way for utility assistance. This donation did not occur in FY 2023 because it was a one-time event. Increases in client contributions (\$2,110) and donations from the general public (\$1,968) helped to soften the blow from not receiving another United Way donation. Public support type revenues are voluntary in nature so the amount the Council receives is not guaranteed from year-to-year and fluctuations are expected to occur.

Program service fees are generated by the nonelderly transportation program. Program service fees increased by \$2,770 in 2023. This increase is related to an increase in revenues from cash fares (\$2,270) and contracted transportation services (\$500), which parallels the resumption of transportation services to nonelderly people.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The increase in interest income has already been discussed and the miscellaneous sources of revenue are minor; therefore, they will not be discussed in this section.

Expenditures

Total expenditures increased by \$290,420 this year, as shown in the table below.

		% of 2023		% of 2022	Increase/(Decrease)	
	2023	Total	2022	Total	Amount	Percent
Personnel	\$ 697,545	51.84%	\$ 619,749	58.74%	\$ 77,796	12.55%
Fringe	85,650	6.37%	99,168	9.40%	(13,518)	-13.63%
Travel	9,851	0.73%	11,856	1.12%	(2,005)	-16.91%
Operating Services	167,651	12.46%	140,170	13.29%	27,481	19.61%
Operating Supplies	119,355	8.87%	86,806	8.23%	32,549	37.50%
Other Costs	45,105	3.35%	26,078	2.47%	19,027	72.96%
Meals	200,323	14.89%	57,541	5.45%	142,782	248.14%
Full Service Contracts	11,430	0.85%	495	0.05%	10,935	2209.09%
Utility Assistance	5,702	0.42%	10,018	0.95%	(4,316)	-43.08%
Capital Outlay	2,845	0.21%	3,156	0.30%	(311)	-9.85%
Total	<u>\$ 1,345,457</u>	100%	<u>\$ 1,055,037</u>	100%	<u>\$ 290,420</u>	27.53%

Personnel expenditures increased by \$77,796 (about 12.5%) from last year. Each year, changes in personnel costs will occur primarily because there are fluctuations in hours worked to meet the demand for services. This year the demand for all types of services increased and, as a result, the Council's staff increased to meet the service demands. This year the Council employed 46 full and part-time employees this year whereas last year the total was 39.

Fringe expenditures decreased by \$13,518 this year primarily because of a \$19,394 decrease in health insurance expenditures. The Council did not have as many participants in health coverage this year as they had last year. Fringe expenditures are directly tied to increases and decreases in personnel costs. As a result, FICA expenditures relating to the increase in wages rose by \$6,321, which offset the decrease in health insurance premiums.

Travel expenditures decreased by \$2,005 (about 17%) compared to last year primarily because the Council reduced its administrative travel (\$1,142) and travel related to transportation services (\$1,032).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Operating services expenditures increased this year by \$27,481 (about 20%) mainly because of an increase in vehicle insurance premiums (\$28,627).

Operating supplies expenditures increased this year by \$32,549 (about 37.5%) mainly because of an increase in vehicle fuel and supplies (\$14,126), which stem from the rising cost of a gallon of gas. In addition, program supplies increased by \$12,514 and office supplies increased by \$5,104.

Other costs increased this year by a total of \$19,027 (about 73%) due to multiple reasons. Three of the more notable reasons for the overall increase are (1) an increase in the annual audit costs (\$8,550,) (2) an increase in special events (\$7,297), and an increase in conferences and training (\$1,097).

Meal expenditures increased by \$142,782 this year. The Council served 58,506 home-delivered meals this year whereas, last year it served 54,935 meals, which is an increase of 3,571. In addition, the Council served 40,474 congregate meals this year compared to 28,498 last year, which is an increase of 11,976. The increase in the total number of meals served also drove the personnel cost of providing these meals higher.

Full-service contract expenditures increased this year by \$10,935 because the Council provided a lot more counseling services than it did last year. Counseling is the only full-service contract the Council had this year.

Utility assistance expenditures decreased by \$4,316 this year. Last year, United Way gave the Council \$10,000 specifically for utility assistance, accordingly, the Council was able to help more people last year because it had more money available to do so.

Capital outlay expenditures will vary from year-to-year based on the needs of the Council. Accordingly, expenditure patterns are not expected to be consistent as might be the case in the other expenditure categories. This year the Council bought one copy machine and disposed of one copy machine.

AN ANALYSIS OF THE GENERAL FUND BUDGET

When preparing its initial budget for this year, management forecasted that its expenditures and other uses would exceed revenues and other sources by \$56,133. Management recognized that an amendment would be required later in the year as better data was compiled and operations changed. As a result, all management could do is make its best guess at forecasted revenues and expenditures when preparing the initial budget for 2023.

Fortunately, there was only one budget amendment needed for this year. The main reason for amending the original General Fund budget was to account for any significant changes in revenues, expenditures and transfer accounts. In contrast to the original budget's deficit, the amended budget

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

forecasted a surplus of \$80,087, which is a favorable change of \$136,220. A schedule of the original budget and amended budgets with the comparative actual revenues and expenditures for the General Fund can be found in the *Supplementary Financial Information Required by GASB Statement 34* section of this report.

A few of the more significant changes made to the original budget during the amendment process are as follows:

- Transfers out to the special revenue funds were reduced by \$144,629 because expenditures in the Title III B and C-2 funds were not going to be as high as originally thought.
- PCOA grant revenue was amended to be \$20,000 higher.
- Supplemental senior center grants (\$10,912) were awarded after the original budget was prepared.
- Interest income was added and forecasted to be \$10,000. The original budget did not consider any interest income.
- All of the originally forecasted expenditures were changed to reflect the current pattern of expenditures, which resulted in an increase on total expenditures of \$24,607.

When the final amended budget was prepared, the Council forecasted that its General Fund revenues and other financing sources would exceed its expenditures plus transfers out to the special revenue funds by \$80,087. However, this year's actual results of operations produced a net increase in fund balance of \$260,983. As a result, the overall budget versus actual variance for the year was a favorable \$180,896, which indicates the Council did better than what management forecasted.

There are many reasons that contributed to the overall actual favorable variance of \$180,896 but some of the more notable ones are as follows:

- The favorable variance of \$63,700 in Section 5311 and 5307 grant revenues was more than expected because these grants reimbursed the Council 100% of some of the transportation costs instead of just 50%, which had not been expected.
- ARP grant revenues along with Section 5311 and 5307 grant revenues were much more (\$96,049) in the Title III B Fund than expected. In addition, expenditures in the Title IIIB Fund were much less (\$30,984) than forecasted. These occurrences produced a surplus in the IIIB Fund which was then transferred to the General Fund. As a result, the General Fund received \$114,381 in transfers in that it did not anticipate when either the original or amended budgets were prepared.

The remaining favorable and unfavorable variances within the General Fund were spread across several categories and were within the expectations of management or are considered not material to this discussion; accordingly, they require no further explanation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Net capital assets decreased by \$3,637 as shown below.

<u>Capital Assets, Net of Depreciation</u>			
	<u>2023</u>	<u>2022</u>	<u>Increase/ (Decrease)</u>
Vehicles	\$ -	\$ -	\$ -
Office furniture and equipment	11,451	13,348	(1,897)
Nutrition equipment	251	966	(715)
Leasehold improvements	12,186	13,211	(1,025)
	<u>\$ 23,888</u>	<u>\$ 27,525</u>	<u>\$ (3,637)</u>

During the year, the Council bought one new copier for \$2,845 and disposed one copier. Depreciation expense for the year on capital assets was \$6,482.

At year-end, the Council's transportation fleet consisted of sixteen vehicles, three of which are owned by the Council and thirteen are owned by the Tangipahoa Parish Government (TPG). Eight of the vehicles have been fully depreciated, which indicates that they might have to be replaced within the next few years. One of the vehicles that the Council owns is an administrative vehicle that is used by the Council's Executive Director to attend to Council business and one vehicle is used exclusively to deliver home-delivered meals. The third Council-owned vehicle is used solely for public transportation. All thirteen of the vehicles owned by the TPG are used for public transportation. No vehicles were acquired this year; however, the Council has committed to acquire two vehicles next year as discussed in Notes 4 and 16 to the financial statements.

The Council does not like to incur any debt as a matter of financial stewardship. Accordingly, the Council did not have any long-term debt as of year-end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. 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. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for FY 2024 and management is unaware of any significant adverse changes to the funding levels or terms of these grants and contracts, except that DOTD will only pay for 50%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

of transportation costs instead of 100% next year. This change in funding could reduce the Council's overall revenues by \$175,000 to \$215,000 based on management's estimate.

For next year, management has initially budgeted \$1,509,755 in revenues and \$1,499,056 in expenditures, which produces an excess of revenues over expenditures of \$10,699 for the Council's programs. The budget for next year has been approved. However, management expects to have to amend the budget later in fiscal year 2024 using more current data.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Debi Fleming, Executive Director, at 106 North Bay St., Amite, LA 70422 or by phone (985) 748-7486.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
June 30, 2023

	Governmental Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 942,991
Receivables:	
Tangipahoa Parish Government	53,327
Capital Area Agency on Aging (CAAA)	50,768
Contracted Transportation Services	3,092
Prepaid expenses	43,708
Total current assets	1,093,886
Other Asset - prepaid expense for long-term vehicle use	4,879
Capital Assets, net of accumulated depreciation	23,888
Total Assets	1,122,653
LIABILITIES	
Current Liabilities:	
Accounts payable	27,032
Accrued expenses	3,981
Unearned revenue from United Way - EFSP Funds	25,000
Total current liabilities	56,013
NET POSITION	
Net investment in capital assets	23,888
Restricted for:	
Senior Citizen Activities	5,734
Arts Council	2,847
Birthday Parties	5,281
Utility Assistance	27
Unrestricted	1,028,863
Total Net Position	\$ 1,066,640

The accompanying notes are an integral part of this statement.

Statement of Activities

The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023

Functions/Programs	Program Revenues					Net (Expense) Revenue and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation of the elderly	\$ 346,243	\$ 142,561	\$ 0	\$ 428,547	\$ 0	\$ (60,258)
Homemaker	46,133	19,403	0	44,761	0	(20,776)
Information and Assistance	21,663	9,112	0	22,387	0	(8,388)
Outreach	3,553	1,495	0	1,758	0	(3,290)
Telephoning	12,536	5,272	0	15,899	0	(1,909)
Utility Assistance	8,407	929	0	3,690	0	(5,646)
Material Aid	731	0	0	680	0	(51)
Counseling Services	11,430	0	0	11,775	0	345
Medic Alert Devices	3,753	221	0	3,600	0	(374)
Nutrition Services:						
Congregate Meals	160,013	52,837	0	111,293	0	(101,557)
Home Delivered Meals	232,586	27,422	0	252,125	0	(7,883)
Transportation Services - non elderly	157,456	65,898	7,458	182,810	0	(33,086)
Family Caregiver Support	363	149	0	140	0	(372)
Other Senior Citizen Activities	25,442	0	0	4,620	0	(20,822)
Administration	325,300	(325,300)	0	0	0	0
Total governmental activities	\$ 1,355,610	\$ (0)	\$ 7,458	\$ 1,084,085	\$ 0	\$ (264,067)
General Revenues:						
Grants and contributions not restricted to specific programs					480,947	
Gain on sale of vehicle					1,500	
Miscellaneous income					13,273	
Interest income					19,178	
Total general revenues						514,898
Increase (Decrease) in net position						250,831
Net position - beginning of the year						815,809
Net position - end of the year						\$ 1,066,640

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**Fund Balance Sheet
Governmental Funds**

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana**

June 30, 2023

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and Investments	\$ 938,469	\$ 0	\$ 0	\$ 4,502	\$ 0	\$ 942,971
Receivables:						
Tangipahoa Parish Government	13,295	40,032	0	0	0	53,327
Capital Area Agency on Aging	0	19,809	18,985	11,974	0	50,768
Contracted Services	2,000	0	0	1,092	0	3,092
Prepaid expenditures	39,038	0	0	0	0	39,038
Due from other governmental funds	67,538	0	0	0	0	67,538
Total Assets	\$ 1,060,300	\$ 59,841	\$ 18,985	\$ 17,568	\$ 0	\$ 1,176,734
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 528	\$ 1,431	\$ 7,792	\$ 17,281	\$ 0	\$ 27,032
Accrued expenses	1,629	1,072	393	287	0	3,381
Unearned revenue from United Way - EFSP fund:	25,000	0	0	0	0	25,000
Due to other governmental funds	0	56,738	10,800	0	0	67,538
Total Liabilities	27,157	59,841	18,985	17,568	0	123,551
Fund Balances						
Nonspendable - prepaid expenditures	39,038	0	0	0	0	39,038
Restricted for:						
Senior Citizen Activities	5,734	0	0	0	0	5,734
Arts Council	2,847	0	0	0	0	2,847
Birthday Parties	5,281	0	0	0	0	5,281
Utility Assistance	27	0	0	0	0	27
Unassigned	980,276	0	0	0	0	980,276
Total Fund Balances	1,033,203	0	0	0	0	1,033,203
Total Liabilities and Fund Balances	\$ 1,060,300	\$ 59,841	\$ 18,985	\$ 17,568	\$ 0	

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

- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds	9,540
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds as assets in the governmental funds	23,886

Net Position of Governmental Activities \$ 1,086,640

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2023

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
<u>REVENUES</u>						
Intergovernmental:						
Capital Area Agency on Aging (CAAA)	\$ 0	\$ 213,816	\$ 95,644	\$ 238,119	\$ 140	\$ 547,719
City of Amite	0	0	0	11,398	0	11,398
City of Hammond	65,000	0	0	0	0	65,000
City of Ponchatoula	29,076	0	0	0	0	29,076
Governor's Office of Elderly Affairs (GOEA)	302,538	0	0	0	0	302,538
Tangipahoa Parish Government (TPG)	200,077	315,222	0	0	0	515,299
Town of Kentwood	0	2,200	0	0	0	2,200
Public Support (Restricted):						
Client contributions	0	1,688	15,289	2,608	0	19,585
Other donors	4,790	0	0	0	0	4,790
Public Support (Unrestricted):						
United Way	31,556	0	0	0	0	31,556
Ray Smith Memorial Fund	28,000	0	0	0	0	28,000
Fundraisers	3,500	0	0	0	0	3,500
Other donors	4,010	0	0	0	0	4,010
Program Service Fees- transportation services	7,458	0	0	0	0	7,458
Interest income	19,178	0	0	0	0	19,178
Miscellaneous	13,273	0	360	0	0	13,633
Total revenues	708,456	532,926	111,293	252,125	140	1,604,940
<u>EXPENDITURES</u>						
Health, Welfare, & Social Services:						
Current:						
Personnel	122,803	370,440	142,140	61,759	403	697,545
Fringe	17,045	44,986	15,917	7,654	48	85,650
Travel	442	7,988	603	817	1	9,851
Operating Services	43,037	100,813	11,514	12,254	33	167,651
Operating Supplies	46,756	61,168	3,678	7,746	7	119,355
Other Costs	17,670	20,951	4,378	2,087	19	45,105
Meals	0	0	32,970	167,353	0	200,323
Full Service Contracts	0	11,430	0	0	0	11,430
Utility Assistance	2,302	3,400	0	0	0	5,702
Capital Outlay	2,845	0	0	0	0	2,845
Total expenditures	252,900	621,176	211,200	259,670	511	1,345,457
Excess of revenues over (under) expenditures	455,556	(88,250)	(99,907)	(7,545)	(371)	259,483
<u>OTHER FINANCING SOURCES (USES)</u>						
Proceeds from sale of vehicles	1,500	0	0	0	0	1,500
Operating transfers in	114,381	202,631	99,907	7,545	371	424,835
Operating transfers out	(310,454)	(114,381)	0	0	0	(424,835)
Total other financing sources and uses	(194,573)	88,250	99,907	7,545	371	1,500
Net increase (decrease) in fund balances	260,983	0	0	0	0	260,983
<u>FUND BALANCE (DEFICIT)</u>						
Beginning of year	772,220	0	0	0	0	772,220
End of year	\$ 1,033,203	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,033,203

The accompanying notes are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities**

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 260,983
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$6,482) exceeded capital outlays (\$2,845) this year.	(3,637)
Governmental funds report the amounts the Council expends as local <i>matching</i> funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Position as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which amortization expense (\$6,516) exceeded intergovernmental expenditures (\$0) this year.	(6,516)
Rounding	<u>1</u>
Increase (Decrease) of Net Position of Governmental Activities	<u><u>\$ 250,831</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

The Tangipahoa Voluntary Council on Aging Amite, Louisiana June 30, 2023

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies

The accounting and reporting policies of The Tangipahoa Voluntary Council on Aging (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. 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 following is a summary of certain significant accounting policies used by the Council:

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

The primary services provided by the Council to the elderly residents of Tangipahoa Parish include transportation, homemaker, information and assistance, outreach, telephoning, utility assistance, medic alert devices, counseling, congregate and home-

delivered meals, and family caregiver support. The Council also provides transportation services to the general public (no age restrictions).

b. 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. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

The Tangipahoa Voluntary Council on Aging (the Council) is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on September 22, 1980 and subsequently received its charter from the Governor of the State of Louisiana on October 3, 1980.

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 in the following manner:

- Ten members are recommended by the Tangipahoa Parish Government to represent the elderly population in their respective districts.
- Two members are recommended by agencies that serve the elderly.
- Three at-large members are recommended by the general public.

Those persons that have been recommended are presented at the Council's annual meeting and elected by the general membership.

Although the Tangipahoa Parish Government (TPG) recommends a voting majority of the Council's board, the TPG does not intend to impose its will to affect the

operations of the Council. Furthermore, the TPG only provides the Council less than 10% of its total annual revenues (not including any pass-through DOTD funds from FTA) and does not assume any specific financial burdens of the Council. As a result, the Council is not a component unit of the Tangipahoa Parish Government.

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

Based on the criteria set forth in section 2100, *The Financial Reporting Entity*, of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. Accordingly, the Council has presented its financial statements as a special-purpose, stand-alone government by applying the provisions of section 2100 as if it were a primary government.

c. Basis of Presentation of the Basic Financial Statements

The Council's basic financial statements consist of *government-wide* financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and *fund* financial statements, which report individual major governmental funds and combined nonmajor governmental funds.

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

Government-Wide Financial Statements:

The government-wide financial statements include the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Governmental activities are

supported primarily by intergovernmental revenues.

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental type activities. The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts – investment in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

In the Statement of Activities, *charges for services* represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. *General revenues* are reported separately from program related revenues because they are unrestricted as to their use or purpose. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. *Special items*, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

Fund Financial Statements:

The fund financial statements (Exhibits C and D) present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before Governmental Accounting Standards Board (GASB) Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, management did not elevate any nonmajor fund to major fund status. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

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

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

General Fund

The General Fund is the primary operating fund of the Council and 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 or funding sources that comprise the Council's General Fund:

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures that are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via GOEA. The Council's management may use these funds at its discretion to fund any of its programs provided the program is benefiting people who are at least 60 years old. In FY 2023, the Council received \$120,000 of PCOA funds, which were initially recorded as revenues of the General Fund. Subsequently, management transferred \$120,000 of the PCOA funds to the Title III B Fund to subsidize program expenditures in that fund.

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for congregate type services of any program involving persons who are at least 60 years old. Senior centers are located throughout the parish and are designed to allow the elderly person a place to go to obtain health, welfare and social services. The Council maintains five senior centers in Tangipahoa Parish. Initially these funds are received by the Council's General

Fund. However, to make the best use of them, management transfers them to other funds to meet the demand for services. This year, management transferred its primary senior center grant funds to the Title III B Fund (\$82,631) and Title III C-1 Fund (\$88,995). The supplemental senior center funds (\$10,912) were all transferred to the Title III C-1 Fund.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. To receive the grant the Council has to provide units of service which consists of hosting outreach, enrollment, and education events in accordance with the specifications, procedures, and requirements outlined in the MIPPA Grant Taxonomy. For this fiscal year, the Council did not provide any MIPPA services and therefore it did not earn any money from this program.

Transportation Program Services - Nonelderly

The Council provides various transportation services to the residents of Tangipahoa Parish who are not 60 years old for a fee. These program service fees and their related costs are accounted for within the *Nonelderly Transportation* program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the *Elderly Transportation* program of the Title III B Fund.

During the fiscal year, the most significant services provided under this program consisted of the following:

- The Council transports people under age 60 who pay cash fares for the service. Passengers are charged a \$9 fee per one-way trip regardless of the length of the trip. These revenues and the related expenditures are accounted for in this program, which is referred to as *General Public Transportation*. In FY 2023 this transportation service generated \$1,251 of program service fees.
- The Council has agreements with various entities in Tangipahoa Parish to transport people for a negotiated fee per trip. This year the Council provided transportation services to the Tangipahoa Parish Tourist Commission and earned \$4,000.
- The Council also provides city bus type services to the general public in Hammond and Ponchatoula and generated \$2,207 in program fees.

Fundraisers

The Council will hold fundraisers from time to time for the purpose of raising additional unrestricted operating funds and to promote community awareness about the needs of the elderly population within Tangipahoa Parish.

In most years, the main fundraiser is Walking for Seniors. It is usually held in conjunction with the Council's annual picnic in May of each year, however, due to COVID-19, the fundraiser was not held this year. In a normal year, program participants and Council employees generally volunteer their time to solicit pledges from businesses and individuals of Tangipahoa Parish. To earn the pledge, the participants walk distances within a designated area at the picnic.

Another fundraiser held by the Council is called *Vehicle Sponsorships*. Local businesses or churches donate money to sponsor an informational message on the Council's vehicles. The *sponsors* do not receive anything in return for their donation in order to prevent the sponsorship from being considered advertising revenue. The gross revenue from this fundraiser was \$3,000, which was donated by one donor. There were no direct costs associated with producing this revenue.

Other Senior Citizen Activities

The Council operates senior centers in Hammond, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities not paid for through the primary grant to operate senior centers from GOEA. Examples of the types of activities used to raise these funds include craft sales, ceramic sales, soft drink sales, and recycling income. The revenues and related expenditures for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger. The total gross revenue from the general public donations and the activities of the individual senior centers was \$970 this year.

Utility Assistance

This program usually provides financial assistance to elderly, disabled, and handicapped people that qualify for assistance with paying their utility bills. In past years, the Council used to participate with multiple utility companies to provide this assistance but only one company (WST) provides financial assistance now (\$170 this year). In addition, the Council will, on occasion, receive contributions from the

general public to purchase fans, heaters, and air condition units to help those people that need them and want to lower their utility bills.

The contributions received for this program are considered restricted public support and are used to pay for direct services. No indirect or administration expenses are paid for with this program's funds.

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The Council has established several special revenue funds, which are designed to primarily account for Title III grants. These grants originate at the federal level and are issued to the State of Louisiana's Governor's Office of Elderly Affairs (GOEA). GOEA matches a portion of the federal grant with state funds and then passes the grant funds through to the local level. Capital Area Agency on Aging (CAAA) manages the Title III grants for GOEA at the local level and awards the grant funds to the Council on Aging based on the number of units of service it provides in various programs.

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

Major Governmental Funds:

Title III B Fund

The Title III B Fund is used to account for funds used to provide various types of supportive social services to the elderly. GOEA has established the criteria for a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units reported to CAAA during the fiscal year, are as follows:

Exhibit F - Continued

Type of Service Provided	Regular Units	ARP Units
Information and Assistance	702	742
Outreach	18	43
Homemaker	1,330	972
Telephoning	2,127	1,814
Transportation for people age 60 or older	17,597	887
Medic Alert Units	120	-
Counseling	-	157
Utility Assistance	-	85
Material Aid	-	34

The sources of revenues that form the basis of this fund are as follows:

- A primary grant provided by GOEA which is then passed through CAAA to the Council for *Special Programs for the Aging _ Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$132,860).
- American Rescue Plan (ARP) grant funds (\$80,956) which were also provided by GOEA and passed through CAAA to the Council.
- Two grants from the Louisiana Department of Transportation and Development (DOTD) which are passed through the Tangipahoa Parish Government (TPG) to the Council for public transportation services. These grants reimburse the Council a portion of the cost of providing public transportation services. The portion (\$315,222) of these grants that was used to pay for the transportation costs for elderly riders has been recorded as revenue in this fund.
- An annual grant of \$2,200 from the Town of Kentwood that is to be used to pay for the costs of transporting the elderly in that town.
- Restricted, voluntary public support (\$1,688) from persons who actually received homemaker and transportation services.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Kentwood, Hammond, and Ponchatoula. During the year the Council reported to CAAA that it provided 40,474 meals (28,918 primary grant and 11,556 ARP grant) to eligible participants. The Council also reported 80 units of nutrition education.

The sources of revenues received this year that form the basis of this fund are (1) a

primary grant from GOEA which is then passed through CAAA to the Council for *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* funds (\$59,541), (2) American Rescue Plan (ARP) grant funds (\$36,103) which were also provided by GOEA and passed through CAAA to the Council, and (2) restricted, voluntary public support (\$15,289) from those persons who received congregate meals.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council reported to CAAA that it provided 58,506 home-delivered meals (38,381 primary grant and 20,125 ARP grant) to eligible participants. The Council also reported 149 units of nutrition education.

The main sources of revenues received this year that form the basis of this fund are (1) a primary grant provided by GOEA which is passed through CAAA to the Council for *Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services* funds (\$57,419); (2) intergovernmental funds from the City of Amite (\$11,398); (3) American Rescue Plan (ARP) grant funds (\$180,700) which were also provided by GOEA and passed through CAAA to the Council; and (4) restricted, voluntary public support (\$2,608) from the general public, including those persons actually receiving home-delivered meal services.

Nonmajor Governmental Funds:

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 4 units of information and assistance to eligible participants. The sources of the revenues forming the basis for this fund is a \$65 grant the Council received from GOEA through CAAA for the *Title III, Part E _ National Family Caregivers Support Program* and American Rescue Plan (ARP) grant funds of \$75.

d. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements – Accrual Basis

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements – Modified Accrual Basis

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both *measurable* and *available*. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

e. Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

f. Cash

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions. Cash is reported at carrying value, which approximates fair value.

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, the line item *Cash and Investments* on the Statement of Net Position includes \$13,889 of restricted cash. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because of its availability for use in current operations.

g. Receivables

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

h. Investments

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, 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. The Council did not have investments of this type at the end of the fiscal year.

Investments, which include securities traded on a national or international exchange, are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Council did not have investments of this type at the end of the fiscal year.

However, the Council invested funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment

company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

i. Prepaid Expenses/Expenditures

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as *matching* payments to acquire vehicles that are titled to another governmental entity are recorded as a prepaid expense and amortized in the Statement of Net Position to better present the substance of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the *matching* payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

j. Capital Assets

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation. Using this guideline, the estimated useful lives of the various classes of depreciable capital assets are as follows:

Vehicles	5 years
Computer equipment	5 years
Office equipment – other than computers	6 years
Nutrition equipment	10 years
Leasehold improvements	20 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage values and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

Fund Financial Statements

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

capital assets for purposes of the fund financial statements.

k. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements. The Council did not have any non-current liabilities at year-end.

l. Unpaid Compensated Absences

The Council's annual leave policy requires employees to consume any annual leave they might earn within the Council's fiscal year. In other words, an employee must *use or lose* any earned leave on or before June 30th of every year. In contrast, the Council's sick leave policy allows an employee to carryover up to thirty days of sick leave. However, upon termination the employee is not paid for any unused sick leave. As a result, the Council has not accrued a liability for any unused annual or sick leave in the financial statements. The Council's management has this policy to minimize the Council's exposure to a liability for which the Council may not have the funds to pay.

m. Advances from Funding Agencies

The Council reports advances from funding agencies on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. The Council did not have any advances from funding agencies that were required to be returned at year-end.

n. Unearned Revenue

The Council reports unearned revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Unearned revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before incurring qualifying expenditures. In

subsequent periods, when the Council has a legal claim to (earned) the resources, the liability for unearned revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. At year-end the Council had received \$25,000 of EFSP funds from United Way of America that it had not earned. The Council expects to expend and earn these funds before the grant year ends on December 31, 2023.

o. Deferred Outflows and Inflows of Resources

Deferred outflows represent the consumption of the Council's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period. The Council did not have any deferred outflows or inflows of resources to report in any of its financial statements this year.

p. Net Position in the Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

The Council reports three categories of net position, as follows:

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.
- *Restricted net position* – This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

q. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as *fund balance*, which is classified based on the relative strength of the spending constraints placed on how the fund balance resources can be used, as follows:

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable because these items are not expected to be converted to cash.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of resources and are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- *Assigned*: This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for specific purpose. The intent of an assigned fund balance should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a

specific purpose. The Council did not have any assigned fund balance as of year-end.

- *Unassigned*: This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

r. Management's Use of Estimates

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

s. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. The net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions. In addition, if the program's activities are immaterial, management may not elect to allocate any indirect costs to the program.

t. Elimination and Reclassifications

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

activities column.

u. Adopted Accounting Pronouncements

The GASB issued Statement No. 96, Subscriptions-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The City adopted the provisions of GASB Statement No. 96, Subscriptions-Based Information Technology Arrangements, during 2023. The implementation of this standard had no impact on the Council's financial statements as of June 30, 2023.

Note 2 - Revenue Recognition

Revenues are recorded in the government-wide financial statements when they are earned using the accrual basis of accounting.

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees (charges for services), and interest income must be both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 3 - Cash Management, Deposits and Investments

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

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those covered by FDIC insurance. Currently, only the first

\$250,000 of deposits at each bank are covered by FDIC insurance. At year-end all bank balances at the Council's to banks were adequately covered by FDIC insurance.

The Council maintains a petty cash fund (approximately \$50) at its main office to pay for small, unexpected expenses that might arise during daily operations.

During the year the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, the Council's management invested \$630,848 in the Louisiana Asset Management Pool (LAMP). This type of investment complies with state law and the Council's investment policy.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under Louisiana law. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

GASB Statement No. 40, *Deposit and Investment Risk Disclosure*, requires disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.

Exhibit F - Continued

- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is generally restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 26 days and the WAM (to final) is 56 days as of June 30, 2023.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2023, the Council's cash and investments consisted of the following:

Cash & Investments	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
The First Bank	\$ 203,454	\$ 203,454	0.04%	Demand	Category 1
First Guaranty Bank	108,659	108,659	None	Demand	Category 1
Petty Cash	50	50	None	N/A	None
Total Cash	<u>312,163</u>	<u>312,163</u>			
Investments:					
LAMP	630,828	630,828	5.10%	Demand	Not Required
Total Investments	<u>630,828</u>	<u>630,828</u>			
Total Cash & Investments	<u>\$ 942,991</u>	<u>\$ 942,991</u>			
Unrestricted Purpose	\$ 929,102				
Restricted Purpose:					
Senior Citizen Activities	5,734				
Arts Council	2,847				
Birthday Parties	5,281				
Utility Assistance	27				
Total Cash & Investments	<u>\$ 942,991</u>				

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts

received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

Note 4 - Prepaid Expenditures and Expenses

At year-end, there were \$39,038 of prepaid expenditures in the Fund Balance Sheet (Exhibit C) related to deposits the Council made as its *matching* requirement towards acquiring vehicles next year. The vehicles will be titled to the Tangipahoa Parish Government (TPG) when delivered. The TPG will allow the Council to use these vehicles as described below in this footnote.

At year-end, prepaid expenses in the Statement of Net Position (Exhibit A) consisted of the following:

	Current Portion	Noncurrent Portion
Vehicle acquisition deposits	\$ 39,038	\$ 0
Unamortized vehicle usage	4,670	4,879
Total prepaid expenses	<u>\$ 43,708</u>	<u>\$ 4,879</u>

The current portion of the unamortized vehicle usage represents the amount that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount of vehicle usage that will be consumed in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has paid *matching funds* under capital assistance grants the Tangipahoa Parish Government (TPG) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. Although the vehicles are titled in the name of the TPG, the Council and the TPG have a written agreement whereby the Council will, as a subrecipient, be a direct transportation operator for Tangipahoa Parish. Accordingly, the Council must abide by all the terms of the primary grant between the TPG and DOTD. The funds the Council expends as *matching funds* are first recorded as van deposits (prepaid expenditures) in its Fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles – approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the government-wide financial statements best

presents the economics of the transactions.

Note 5 - Changes in Capital Assets and Accumulated Depreciation

A summary of changes in capital assets and accumulated depreciation is as follows:

Capital Assets Being Depreciated	Balance June 30, 2022	Additions	Decreases	Balance June 30, 2023
Vehicles	\$ 99,287	\$ 0	\$ 0	\$ 99,287
Office furniture and equipment	28,025	2,845	(1,200)	29,670
Nutrition equipment	4,290	0	0	4,290
Leasehold improvements	41,332	0	0	41,332
Total Capital Assets	169,778	2,845	(1,200)	174,579
Less Accumulated Depreciation:				
Vehicles	99,288	0	0	99,288
Office furniture and equipment	14,712	4,742	(1,200)	18,254
Nutrition equipment	3,288	715	0	4,003
Leasehold improvements	28,121	1,025	0	29,146
Total Accumulated Depreciation	139,401	6,482	(1,200)	150,691
Capital Assets Net of Depreciation	\$ 30,377	\$ (3,637)	\$ 0	\$ 23,888

Capital assets do not include any donated capital assets at year-end.

The Council's management has reviewed the capital assets and does not believe any of the assets to be impaired as of year-end.

Depreciation was charged to governmental activities as follows:

Administration	\$ 4,008
Supportive Services:	
Transportation of the elderly	1,055
Nutrition Services:	
Congregate meals	999
Transportation - non elderly	420
Total depreciation expense	<u>\$ 6,482</u>

The depreciation expense associated with the administration function (\$4,008) relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct

expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$2,474) are charged as direct expenses to their related functions on the Statement of Activities.

Note 6 - Fund Balances - Fund Financial Statements

At year-end, none of the special revenue funds have a fund balance. The fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants.

The General Fund has \$13,889 of restricted funds to be used specifically for senior citizen activities at various senior centers and utility assistance.

Note 7 - In-Kind Contributions

The Council received a variety of in-kind contributions during the year, but does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

There are two significant types of in-kind contributions that the Council receives each year. The first one consists of free rent, utilities, and janitorial services relating to the use of facilities in Ponchatoula, Amite, Hammond, Independence, and Kentwood. These facilities allow the elderly to participate in activities and receive meals and other services. Based on information supplied by the owners of these locations, management estimates the aggregate value of this set of in-kind contributions to be \$170,797 for the year.

The second significant type of in-kind contribution the Council receives is for its elderly and nonelderly transportation programs. This contribution consists of free usage of 13 vehicles owned by the Tangipahoa Parish Government (TPG). The vehicles owned by the TPG were all acquired under capital assistance grants wherein the federal government paid for 80% to 100% of the vehicle's cost and the remainder, if any, had to be paid for by the Council with local *matching* funds. In return for putting up the matching

funds, the TPG permits the Council to use the vehicles. Therefore, the Council is receiving an in-kind contribution from the TPG represented by a portion of the cost of the vehicles paid directly by the federal government. Management has estimated the in-kind use of the TPG's vehicles to be \$86,871 for the fiscal year. The estimate was derived by first determining the amount the federal government paid for its share of the cost for the vehicles. Then, the amount of *federal match* for each vehicle was amortized from the date at which the Council began using each vehicle using a 5 year (approximately 100,000 miles) estimated useful life. The amount for the period July 1, 2022, through June 30, 2023, was deemed to be the value of the in-kind contribution for vehicle usage. If the in-kind contribution for the vehicles had been recorded in the Statement of Activities, the allocation of the value of the contribution amongst the Council's transportation programs would have been \$83,937 for elderly transportation and \$2,934 for nonelderly transportation.

Note 8 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council's travel policy when traveling on behalf of the Council.

Note 9 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. The Council is also exempt from Louisiana income tax.

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

Note 10 - Cooperative Endeavor Agreement

On February 6, 2001 the Louisiana State Board of Elementary and Secondary Education (BESE) approved a 20-year cooperative endeavor agreement between it and the Council for the Hammond senior center building. The Council has the option to renew this lease for four consecutive additional terms of five years each provided the Council has maintained the building and submitted its request to renew in writing to BESE at least

sixty days before the end of each five-year term. On December 21, 2020 the Council elected to renew the lease for another twenty-year term, which will begin February 6, 2021. The Council is responsible for all interior and exterior repairs, utilities, the property insurance premium, and must maintain a minimum of \$1,000,000 of liability insurance coverage on the property. BESE does not charge the Council any rent to use the building.

Note 11 - Judgments, Claims, and Similar Contingencies

As of year-end the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council's management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 12 - Contingencies - 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 collectability of any related receivable at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any 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 13 - Economic Dependency

The Council receives the majority of its revenue from other governmental entities in the form of intergovernmental revenues. Intergovernmental type revenues are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal or state level, or the Council loses or fails to reapply for a grant, 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 relating to its usual sources of intergovernmental revenues, except that the Council will not be receiving reimbursement for 100% of qualified transportation costs under the grants it has with the Tangipahoa

Parish Government (TPG) and Louisiana Department of Revenue (DOTD). Instead, reimbursements will be made at 50% of qualified transportation costs.

Note 14 - Risk Management

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, with deductibles ranging from \$1,000 to \$2,500, to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of business interruption and certain acts of God, like floods and earthquakes, or virus pandemics.

Note 15 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 16 - Purchase Commitments

At year-end, the Council had purchase commitments to acquire two passenger vehicles. To acquire the vehicles the Council is required to only pay 14% of the total cost of each vehicle. The federal and parish governments will pay the remaining 86%. The Council's has already paid \$39,038, which was its share of the *matching funds* needed to acquire the vehicles. The vehicles are expected to be delivered next year. Also see Note 4.

Note 17 - Interfund Receivables and Payables - Fund Financial Statements

Because the Council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans, at year-end, is as follows:

	<u>Receivable From</u>	<u>Payable To</u>
General Fund:		
Major Funds:		
Title III B	\$ 56,738	\$ 0
Title III C-1	10,800	0
Totals for the General Fund	<u>67,538</u>	<u>0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	0	56,738
Title III C-1:		
General Fund	0	10,800
Totals for Special Revenue Funds	<u>0</u>	<u>67,538</u>
Totals for All Funds	<u><u>\$ 67,538</u></u>	<u><u>\$ 67,538</u></u>

Note 18 - Interfund Transfers

Operating transfers to and from the various funds are as follows for the fiscal year:

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 114,381	\$ 202,631
Title III C-1 Fund	0	99,907
Title III C-2 Fund	0	7,545
Nonmajor Funds	0	371
Total General Fund	<u>114,381</u>	<u>310,454</u>
Title III B - Fund:		
General Fund - Senior Center grant	\$ 82,631	\$ 0
General Fund - PCOA grant	120,000	0
General Fund	<u>0</u>	<u>114,381</u>
Total Title III B Fund	<u>202,631</u>	<u>114,381</u>
Title III C-1 Fund:		
General Fund - Senior Center grant	\$ 88,995	\$ 0
General Fund - Sup. Senior Center grant 1	3,100	0
General Fund - Sup. Senior Center grant 2	<u>7,812</u>	<u>0</u>
Total Title III C-1 Fund	<u>99,907</u>	<u>0</u>
Title III C-2 - Fund:		
General Fund - various local funds	\$ 7,545	\$ 0
Total Title III C-2 Fund	<u>7,545</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Title III E:		
General Fund	\$ 371	\$ 0
Total for Nonmajor Funds	<u>371</u>	<u>0</u>
Grand Totals	<u>\$ 424,835</u>	<u>\$ 424,835</u>

Transfers are used (a) to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (b) to shift unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

Note 19 - Subsequent Events

Management has evaluated subsequent events through January 18, 2024, which is the date the financial statements were available to be issued. There were no events that required disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

Budgetary Comparison Schedule - General Fund
The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA	\$ 100,000	\$ 120,000	\$ 120,000	\$ 0
Senior Center primary grant	171,479	171,626	171,626	0
Supplemental Senior Center grant #1	0	3,100	3,100	0
Supplemental Senior Center grant #2	0	7,812	7,812	0
MIPPA	1,500	3,600	0	(3,600)
Tangipahoa Parish Government:				
Annual Award	60,000	60,000	60,000	0
Health Insurance Reimbursements	51,108	19,000	23,172	4,172
Section 5311 and 5307 Pass-through Grants	49,623	53,205	116,905	63,700
City of Hammond	60,000	60,000	65,000	5,000
City of Ponchatoula	29,076	29,076	29,076	0
Public Support - restricted	0	3,630	4,790	1,160
Public Support - unrestricted	71,600	62,955	67,066	4,111
Program Service Fees - transportation services	1,650	6,000	7,458	1,458
Interest Income	0	10,000	19,178	9,178
Miscellaneous	0	730	13,273	12,543
Total revenues	596,036	610,734	708,456	97,722
EXPENDITURES				
Current:				
Personnel	100,680	105,424	122,803	(17,379)
Fringe	18,117	15,676	17,045	(1,369)
Travel	0	383	442	(59)
Operating Services	35,578	43,817	43,037	780
Operating Supplies	25,652	36,228	46,756	(10,528)
Other Costs	6,210	17,331	17,670	(339)
Meals	0	0	0	0
Full Service Contracts	0	640	0	640
Utility Assistance	10,000	5,400	2,302	3,098
Capital Outlay	6,900	2,845	2,845	0
Total expenditures	203,137	227,744	252,900	(25,156)
Excess of revenues over expenditures	392,899	382,990	455,556	72,566
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of vehicles	0	1,500	1,500	0
Transfers in	0	0	114,381	114,381
Transfers out	(449,032)	(304,403)	(310,454)	(6,051)
Total other financing sources and uses	(449,032)	(302,903)	(194,573)	108,330
Net increase (decrease) in fund balance	\$ (56,133)	\$ 80,087	260,983	\$ 180,896
FUND BALANCE				
Beginning of year			772,220	
End of year			\$ 1,033,203	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging (CAAA) - Primary Grant	\$ 125,797	\$ 125,797	\$ 132,860	\$ 7,063
Capital Area Agency on Aging (CAAA) -ARP Grant	89,575	20,801	80,956	60,155
Tangipahoa Parish Government - Section 5311 & 5307	190,377	279,328	315,222	35,894
Town of Kentwood	2,400	2,400	2,200	(200)
Public Support - restricted (client contributions)	2,500	1,826	1,688	(138)
Total revenues	410,649	430,152	532,926	102,774
EXPENDITURES				
Current:				
Personnel	387,121	380,779	370,440	10,339
Fringe	69,867	54,157	44,986	9,171
Travel	5,000	8,568	7,988	580
Operating Services	96,240	109,091	100,813	8,278
Operating Supplies	87,262	72,020	61,168	10,852
Other Costs	18,505	19,545	20,951	(1,406)
Full Service Contracts	48,400	8,000	11,430	(3,430)
Utility Assistance	0	0	3,400	(3,400)
Total expenditures	712,395	652,160	621,176	30,984
Excess of expenditures over revenues	(301,746)	(222,008)	(88,250)	133,758
OTHER FINANCING SOURCES (USES)				
Transfers in	301,746	222,008	202,631	(19,377)
Transfers out	0	0	(114,381)	(114,381)
Total other financing sources and uses	301,746	222,008	88,250	(133,758)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-1 Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging (CAAA) - Primary Grant	\$ 59,541	\$ 59,541	\$ 59,541	\$ 0
Capital Area Agency on Aging (CAAA) -ARP Grant	31,936	31,396	36,103	4,707
Public Support- restricted (client contributions)	6,400	15,202	15,289	87
Miscellaneous (alternate vendor & guest meal fees)	0	0	360	360
Total revenues	97,877	106,139	111,293	5,154
EXPENDITURES				
Current:				
Personnel	103,382	124,279	142,140	(17,861)
Fringe	16,403	17,040	15,917	1,123
Travel	500	362	603	(241)
Operating Services	7,611	10,729	11,514	(785)
Operating Supplies	8,534	5,127	3,678	1,449
Other Costs	2,664	3,632	4,378	(746)
Meals	20,206	25,500	32,970	(7,470)
Full Service Contracts	0	0	0	0
Total expenditures	159,300	186,669	211,200	(24,531)
Excess of expenditures over revenues	(61,423)	(80,530)	(99,907)	(19,377)
OTHER FINANCING SOURCES (USES)				
Transfers in	61,423	80,530	99,907	19,377
Transfers out	0	0	0	0
Total other financing sources and uses	61,423	80,530	99,907	19,377
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

	Budgeted Amounts	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original	Amended (Final)	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Capital Area Agency on Aging (CAAA) - Primary Grant	\$ 57,419	\$ 57,419	\$ 57,419	\$ 0
Capital Area Agency on Aging (CAAA) -ARP Grant	180,700	180,700	180,700	0
City of Amite	10,500	10,860	11,398	538
United Way of America	35,000	17,500	0	(17,500)
Public Support - restricted (client contributions)	2,500	2,700	2,608	(92)
Total revenues	286,119	269,179	252,125	(17,054)
EXPENDITURES				
Current:				
Personnel	87,215	82,255	61,759	20,496
Fringe	13,971	11,315	7,654	3,661
Travel	500	682	817	(135)
Operating Services	11,457	12,984	12,254	730
Operating Supplies	4,874	5,479	7,746	(2,267)
Other Costs	2,339	2,643	2,087	556
Meals	250,498	155,500	167,353	(11,853)
Full Service Contracts	0	0	0	0
Total expenditures	370,854	270,858	259,670	11,188
Excess of expenditures over revenues	(84,735)	(1,679)	(7,545)	(5,866)
OTHER FINANCING SOURCES (USES)				
Transfers in	84,735	1,679	7,545	5,866
Transfers out	0	0	0	0
Total other financing sources and uses	84,735	1,679	7,545	5,866
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
FUND BALANCE				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

The Tangipahoa Voluntary Council on Aging

Amite, Louisiana

For the Year Ended June 30, 2023

Note 1 - Budgetary Reporting

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

The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting usually held before the end of the current fiscal year. The original budget for FY 2023 was adopted at a board meeting on June 21, 2022.
- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass through to the Council from GOEA.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically

budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under a federal matching program. The *match* might be made in one year and the vehicle delivered in another year.

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. The Council amended its FY 2023 budget once at a board meeting held on April 18, 2023.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and GOEA for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

Note 2 - General Fund's Budgeted Operating (Deficit) Surplus

Initially, management forecasted a deficit of \$56,133 when it prepared the initial budget for the year. However, as the year progressed, it amended the General Fund's budget to reflect a surplus of \$80,087. The main reason for the favorable change resulted from *transfers out* to the special revenue funds being much less than originally forecasted.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS**

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

	<u>Title III E Fund</u>	<u>Totals</u>
<u>REVENUES</u>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA) - Primary Grant	\$ 65	\$ 65
Capital Area Agency on Aging (CAAA) - ARP	75	75
Total revenues	<u>140</u>	<u>140</u>
<u>EXPENDITURES</u>		
Health, Welfare, & Social Services:		
Current:		
Personnel	403	403
Fringe	48	48
Travel	1	1
Operating Services	33	33
Operating Supplies	7	7
Other Costs	19	19
Full Service Contracts	0	0
Capital Outlay	<u>0</u>	<u>0</u>
Total expenditures	<u>511</u>	<u>511</u>
Excess of revenues over (under) expenditures	<u>(371)</u>	<u>(371)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	371	371
Operating transfers out	<u>0</u>	<u>0</u>
Total other financing sources and uses	<u>371</u>	<u>371</u>
Net increase (decrease) in fund balance	0	0
<u>FUND BALANCE (DEFICIT)</u>		
Beginning of year	<u>0</u>	<u>0</u>
End of year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS**

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
<u>Capital Assets</u>				
Vehicles	\$ 99,287	\$ 0	\$ 0	\$ 99,287
Office furniture and equipment	28,025	2,845	(1,200)	29,670
Nutrition equipment	4,290	0	0	4,290
Leasehold improvements	41,332	0	0	41,332
 Total capital assets	 <u>\$ 172,934</u>	 <u>\$ 2,845</u>	 <u>\$ (1,200)</u>	 <u>\$ 174,579</u>
 <u>Investment in Capital Assets</u>				
Property acquired with funds from -				
Local funds and donations	\$ 171,821	\$ 2,845	(1,200)	\$ 173,466
Title III B	590	0	0	590
Title III C-1	267	0	0	267
Title III C-2	134	0	0	134
Senior Center	122	0	0	122
 Total investment in capital assets	 <u>\$ 172,934</u>	 <u>\$ 2,845</u>	 <u>\$ (1,200)</u>	 <u>\$ 174,579</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

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

**The Tangipahoa Voluntary Council on Aging
Amite, Louisiana
For the year ended June 30, 2023**

Executive Director's (Agency Head) Name: Debi Fleming

Purpose	Amount
Salary	\$ 60,888.29
Benefits-insurance (health and life)	13,617.70
Benefits-retirement	-
Benefits-other - Fringe (LUTA, Worker's Comp, FICA)	5,930.71
Vehicle provided by government (enter amount reported on W-2)	804.94
Telephone Expense Reimbursements	706.82
Program Supplies Reimbursements	1,923.16
Vehicle Maintenance Reimbursements	2,284.65
Conferences and Training Reimbursements	747.29
Advertising Expense Reimbursements	192.00
Office Supplies Reimbursements	191.46
Other Expense Reimbursements	266.30
Other	
Total	\$ 87,553.32

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY UNIFORM GUIDANCE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Tangipahoa Voluntary Council on the Aging
Amite, Louisiana

For the year ended June 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM OR CLUSTER TITLE	FEDERAL ASSISTANCE LISTING NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<u>Federal Emergency Management Agency</u>					
Passed through the United Way of America:					
Emergency Food & Shelter National Board Program (ARPAR-3696-00)	97.024	12/31/23	25,000	0	0
Emergency Food & Shelter National Board Program (40-3696-00)	97.024	12/31/23	15,000	0	0
Emergency Food & Shelter National Board Program (39-3696-00)	97.024	12/31/23	10,000	0	0
Subtotal CFDA #97.024			50,000	0	0
Totals for The Federal Emergency Management Agency			50,000	0	0
<u>U.S. Department of Health and Human Services</u>					
Administration on Aging					
Passed through the Governor's Office of Elderly Affairs:					
Passed Through the Capital Area Agency on Aging - District II, Inc.:					
Aging Cluster of Special Programs for the Aging :					
Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/23	102,017	102,017	102,017
ARP Title III, Part B - Grants for Supportive Services & Senior Centers	93.044	06/30/23	68,813	68,813	68,813
Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/23	50,610	50,610	50,610
ARP Title III, Part C-1 - Nutrition Services - Congregate Meals	93.045	06/30/23	30,688	30,688	30,688
Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/23	39,968	39,968	39,968
ARP Title III, Part C-2 - Nutrition Services - Home Delivered Meals	93.045	06/30/23	153,595	153,595	153,595
Total of Aging Cluster (CFDAs 93.044 & 93.045)			445,691	445,691	445,691
Special Programs for the Aging:					
Title III, Part E - National Family Caregiver Support	93.052	06/30/22	563	49	49
ARP Title III, Part E - National Family Caregiver Support	93.052	06/30/22	469	56	56
Totals for U.S. Department of Health & Human Services - Administration on Aging			446,723	445,796	445,796
Totals for U.S. Department of Health & Human Services			446,723	445,796	445,796
<u>Department of Transportation - Federal Transit Administration</u>					
Passed through the Louisiana Department of Transportation and Development:					
Passed through the Tangipahoa Parish Government:					
Public Transportation Operating Assistance Program for the Urbanized Area (Federal Award grant # = LA-X438 and X483)	20.509	01/13/24	1,400,000	312,866	312,866
CARES Act Transportation Grant for Rural Areas (Federal Award grant # = LA-2020-007) (State Project # 18-53-23)	20.509	06/30/23	60,190	60,190	60,190
Formula Grants for Rural Areas (Federal Award grant # = LA-2017-013) (State Project # 18-53-23)	20.509	06/30/23	30,095	30,095	30,095
Formula Grants for Rural Areas (Federal Award grant # = LA-2019-11) (State Project # 18-53-23)	20.509	06/30/23	30,000	28,976	28,976
Totals for U.S. Department of Transportation			1,520,285	432,127	432,127
Total federal grants			\$ 2,017,008	\$ 877,923	\$ 877,923

The accompanying notes are an integral part of this schedule.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of The Tangipahoa Voluntary Council on the Aging and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general-purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note B - The Tangipahoa Voluntary Council on the Aging did not pass-through any of its federal awards to a subrecipient during the fiscal year.

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

Note D - The Tangipahoa Voluntary Council on Aging did not elect to use the 10% de minimis cost rate.

See Independent auditor's report.



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

The Board of Directors of
The Tangipahoa Voluntary Council on Aging, Inc.
Amite, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary Council on Aging Inc., Amite, Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Tangipahoa Voluntary Council on Aging Inc.'s basic financial statements, and have issued our report thereon dated January 18, 2024.

Report on Internal Control over Financial Reporting

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

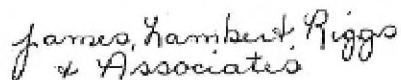
As part of obtaining reasonable assurance about whether the Tangipahoa Voluntary Council on Aging Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2023-001.

Tangipahoa Voluntary Council on Aging Inc.'s Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Tangipahoa Voluntary Council on Aging Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Tangipahoa Voluntary Council on Aging Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Tangipahoa Voluntary Council on Aging Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

January 18, 2024

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

The Board of Directors of the
Tangipahoa Voluntary Council on Aging, Inc.
Amite, Louisiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the TVCOA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination of the TVCOA's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

James Lambert Riggs
& Associates

James Lambert Riggs and Associates, Inc.
Hammond, Louisiana

January 18, 2024

Tangipahoa Voluntary Council on Aging, Inc.

Schedule of Audit Findings and Responses

For the Year Ended June 30, 2023

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tangipahoa Voluntary 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 the Tangipahoa Voluntary Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated January 18, 2024. Our audit of the basic financial statements resulted in an unmodified opinion.

Section I – Summary of Auditor's Reports

1. Report on Internal Control and Compliance Material to the Financial Statements

Type of Opinion Issued	<u>X</u>	Unmodified	<u> </u>	Modified
	<u> </u>	Disclaimer	<u> </u>	Adverse

Internal Control:

Material Weakness	<u> </u>	Yes	<u>X</u>	No
Significant Deficiencies	<u> </u>	Yes	<u>X</u>	No

Compliance:

Compliance Material to the Financial Statements	<u>X</u>	Yes	<u> </u>	No
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2. Management Letter

Was a management letter issued?	<u> </u>	Yes	<u>X</u>	No
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3. Federal Awards

Type of Opinion on Compliance for Major Programs	<u>X</u>	Unmodified	<u> </u>	Modified
	<u> </u>	Disclaimer	<u> </u>	Adverse

Internal Control:

Material Weakness	<u> </u>	Yes	<u>X</u>	No
Significant Deficiencies	<u> </u>	Yes	<u>X</u>	No

Are there findings required to be reported in accordance with the Uniform Guidance?

<u> </u>	Yes	<u>X</u>	No
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4. Identification of Major Programs

CFDA Number

93.044

Name of Federal Program (or Cluster)

Special Programs for the Aging-Title III, Part B-
Grants for Supportive Services
and Senior Centers

93.045

Special Programs for the Aging-Title III, Part C-
Nutrition Services

93.052

Special Programs for the Aging-Title III, Part E-
National Family Caregiver Support

Dollar threshold used to distinguish between Type A and Type B Programs:

\$750,000

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance?

<u> </u>	Yes	<u>X</u>	No
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Tangipahoa Voluntary Council on Aging, Inc.

Schedule of Audit Findings and Responses

For the Year Ended June 30, 2023

Section II – Financial Statement Findings

Internal Control over Financial Reporting

None

Compliance and Other Matters

2023-001 – Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year

Condition:

The Council did not comply with certain provisions of Louisiana law, which require the annual audit to be completed by December 31, 2023. A completed version of the financial statements of the Council including related footnote disclosures was not provided to the auditor until December 7, 2023.

Although a non-emergency extension until January 31, 2024 was requested by the Council, Legislative Auditor guidelines require that a compliance finding be reported on all non-emergency extensions.

Criteria:

LRS 24:513(A)(5)(a)(i) requires the Council to complete its annual audit in the following manner:

“In lieu of examinations of the records and accounts of any office subject to audit or review by the legislative auditor, the legislative auditor may, at his discretion, accept an audit or review report prepared by a licensed certified public accountant...Such audits shall be completed within six months of the close of the entity's fiscal year...”

For the year ended June 30, 2023, the Council’s audit was not completed until January 18, 2024.

Cause:

The Council’s funding required the addition of a Single Audit of certain federal funds for the audit period. This requirement was new for the Council and both the Council and the auditor needed the additional time to complete the compliance work. The SEFA was not provided to the auditor until November 21, 2023.

Additionally, the completed version of the financial statements of the Council including related footnote disclosures was not provided to the auditor until December 7, 2023.

Tangipahoa Voluntary Council on Aging, Inc.

Schedule of Audit Findings and Responses

For the Year Ended June 30, 2023

Effect:

As a result of this issue, the Council did not comply with reporting requirements of the Louisiana Legislative Auditor's office.

Recommendation:

We recommend the Council have their accounting records closed and ready to be audited by September 15 of each year to give the auditors sufficient time to complete the audit by the required deadline. We also recommend that the financial statements and related footnote disclosures be provided to the auditors no later than November 1, of each year.

Management's Response:

See management's response.

Section III Federal Award Findings and Questioned Costs

None

Tangipahoa Voluntary Council on Aging, Inc.
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2023

Internal Control over Financial Reporting

None

Compliance and Other Matters

None

January 23, 2024

James Lambert Riggs and Associates, Inc.
P.O. Drawer 369
Hammond, LA 70403

Response to Financial Statement Findings

Compliance and Other Matters

2023-001 – Failure to Complete Audit Report Within Six Months of the Close of the Fiscal Year:

Every effort will be made to correct this finding by assuring that the accounting records are closed and ready to be audited by September 15 of each year to give the auditors sufficient time to complete the audit by the required deadline.

Efforts will also be made to provide the financial statements and related footnote disclosures to the auditors no later than November 1 of each year.



Debi Fleming
Executive Director



TANGIPAHOA VOLUNTARY COUNCIL ON AGING, INC.
AMITE, LOUISIANA

STATEWIDE AGREED UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2023

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA
Megan E. Lynch, CPA
B. Jacob Steib, CPA



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Society of Louisiana CPAs

Independent Accountants' Report on Applying Agreed-Upon Procedures

Board of Directors
Tangipahoa Voluntary Council on Aging, Inc.
Amite, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

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

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

Our procedures and findings are detailed in Schedule "A."

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

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

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

*James Lambert Riggs
& Associates*

James Lambert Riggs & Associates, Inc.
Hammond, Louisiana

January 18, 2024

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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

iii. ***Disbursements***, including processing, reviewing, and approving.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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).

• **Results:** No exceptions were noted as a result of the above listed procedures.

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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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

• **Results:** No exceptions were noted as a result of the above listed procedures.

- viii ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

2) Board or Finance Committee

- A. Obtain and inspect the board / finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and.

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

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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. *Alternately, 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*

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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);

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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 (i.e., 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Each employee responsible for collecting cash is not responsible for preparing / making bank deposits, unless another employee / official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and / or subsidiary ledgers, by revenue source and / or agency fund additions, are not responsible for collecting cash, unless another employee / official verifies the reconciliation.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- 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). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
- i. Observe that receipts are sequentially pre-numbered.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - **Results:** Three of the four selected deposits were not deposited within one business day of receipt at the collection location.
- v. Trace the actual deposit per the bank statement to the general ledger.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

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

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. At least two employees are involved in processing and approving payments to vendors.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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

• **Results:** No exceptions were noted as a result of the above listed procedures.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

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

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

• **Results:** No exceptions were noted as a result of the above listed procedures.

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

• **Results:** No exceptions were noted as a result of the above listed procedures.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3, 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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

6) Credit Cards / Debit Cards / Fuel Cards / P-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.

• **Results:** No exceptions were noted as a result of the above listed procedures.

- 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).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- C. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business / public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.
- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements 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 the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Observe each reimbursement is supported by documentation of the business / public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1h.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

8) Contracts

- A. Obtain from management a listing of all agreements contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and.

- 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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).

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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).

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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 the invoice and related payment agreed to the terms and conditions of the contract.

- **Results:** No exceptions were noted as a result of the above listed procedures.

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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #17 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).

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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 or officials' 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

- 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.

- **Results:** No exceptions were noted as a result of the above listed procedures.

10) Ethics

- A. Using the 5 randomly selected employees / officials from "Payroll and Personnel" procedure #17 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.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.
 - **Results:** No exceptions were noted as a result of the above listed procedures.
- B. Inquire and / or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.
- **Results:** No exceptions were noted as a result of the above listed procedures.

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.
- **Results:** No exceptions were noted as a result of the above listed procedures.
- 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).
- **Results:** No exceptions were noted as a result of the above listed procedures.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- **Results:** No exceptions were noted as a result of the above listed procedures.

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

- **Results:** No exceptions were noted as a result of the above listed procedures.

13) Information Technology Disaster Recovery / Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- i. 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.

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

- ii. Obtain and inspect the entity’s most recent documentation that it has tested / verified that its backups can be restored (if 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

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

- iii. Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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

- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #17. Observe evidence that the selected terminated employees have been removed or disabled from the network.

- **Results:** No exceptions were noted as a result of the above listed procedure.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees / officials from Payroll and Personnel procedure #17, 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.

- **Results:** No exceptions were noted as a result of the above listed procedure.

- 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).

- **Results:** No exceptions were noted as a result of the above listed procedure.
- 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,
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - ii. Number of sexual harassment complaints received by the agency;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - **Results:** No exceptions were noted as a result of the above listed procedures.
 - v. Amount of time it took to resolve each complaint.
 - **Results:** No exceptions were noted as a result of the above listed procedures.

January 24, 2024

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Response to Statewide Agreed Upon Procedures

3) Bank Reconciliations

D. Three of the four selected deposits were not deposited within one business day of receipt at the collection location.

Current Policy requires Meal Site locations to make a deposit at least once a week or when \$25 or more is collected. Every effort will be made to ensure deposits are made according to the policy.

Administrative office will make every effort to ensure deposits are made within one business day of receipt.



Debi Fleming
Executive Director

