

MOREHOUSE COUNCIL ON AGING, INC.

Bastrop, Louisiana

FINANCIAL STATEMENTS

June 30, 2022

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

MOREHOUSE COUNCIL ON AGING, INC.

Table of Contents

June 30, 2022

INDEPENDENT AUDITOR'S REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-12
BASIC FINANCIAL STATEMENTS	
GOVERNMENT WIDE FINANCIAL STATEMENTS:	
Statement of Net Position	13
Statement of Activities	14
FUND FINANCIAL STATEMENTS:	
Balance Sheet	15
Statement of Revenues, Expenditures and Changes In Fund Balances	16
Reconciliation of the Statement of Revenues Expenditures and Changes in Fund Balances of Governmental Funds to the State of Activities	17
NOTES TO FINANCIAL STATEMENTS	18-38
SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34:	
Budgetary Comparison Schedule - General Fund	39
Budgetary Comparison Schedule - Section 8	40
Budgetary Comparison Schedule - Title III B Supportive Services	41
Budgetary Comparison Schedule - Title III C-1 Congregate Meals	42
Budgetary Comparison Schedule - Title III C-2 Home Delivered Meals	43
SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA:	
Combining Statement of Program Revenues, Expenditures, and Changes in Fund Balances - Non-Major Special Revenue Funds	44
Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets	45

MOREHOUSE COUNCIL ON AGING, INC.

Table of Contents

June 30, 2022

OTHER SUPPLEMENTARY INFORMATION:

Schedule of Compensation, Benefits, and Other Payments to Agency Head	46
Schedule of Expenditures of Federal Awards	47
Notes to the Schedule of Expenditures of Federal Awards	48
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	49-50
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	51-52
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	53
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS	54
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES	55-67



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Morehouse Council on Aging, Inc.  
Monroe, Louisiana

### Opinion

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Morehouse Council on Aging, Inc. (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In my 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 Morehouse Council on Aging, Inc. as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Morehouse Council on Aging, Inc and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Morehouse Council on Aging'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

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



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

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

I am 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 I 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 4 through 12 and the budgetary information on pages 39 through 43, 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### **Other Supplementary Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Morehouse Council on Aging, Inc.'s basic financial statements. The accompanying schedule of expenditures of awards is presented for purposes for additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The supplementary information on pages 44-48 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated December 19, 2022 on my consideration of Morehouse Council on Aging, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of law, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Louisiana Legislative Auditor, I have issued a report, dated December 19, 2022 on the results of my statewide agreed-upon procedures performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the Louisiana Legislative Auditor's statewide agreed-upon procedures, and the results of that testing, and not to provide an opinion on control or compliance.

A handwritten signature in black ink, reading "Marda O. Mullican". The signature is written in a cursive, flowing style.

Certified Public Accountant  
December 19, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Morehouse Council on Aging, Inc.**

**June 30, 2022**

The following discussion and analysis of Morehouse Council on Aging's (the Council) financial performance provides an overview and analysis of the Council's performance and activities for the year ended June 30, 2022. 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 \$64,488 this year.
- Net Capital Assets of the Council increased by \$19,750 this year.
- The Council's revenue, on a modified accrual basis, increased by \$22,384 this year.
- Expenditures, on a modified accrual basis, increased by \$140,111 this year.
- The unassigned fund balance for the Council's General Fund was \$558,874 at year-end, which is an increase of \$149,846 from the prior year.
- No deficit fund balances existed at year-end.
- The Council reduced its long term by \$12,932 during the year.

### **HOW TO USE THIS ANNUAL REPORT**

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

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Morehouse Council on Aging, Inc.**

**June 30, 2022**

(Continued)

Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These financial statements provide information about the activities of the 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 and the Statement of Revenues, Expenditures, and Changes in Fund Balances, tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The auditor has provided assurance in her 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 has also provided assurance about Supplementary Financial Information required by GOEA follows later in this reporting package. A user of this document should read the independent auditor's carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

### **BASIC FINANCIAL STATEMENTS**

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

#### **Government-Wide Financial Statements**

Management's analysis of the Council as a whole begins on page 13. When reading these financial statements, an important point to consider is whether the Council's finances as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities, referred to collectively as the government-wide financial statements, report information about the Council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements report the Council's net position and changes in net position. Council has restricted net position of \$10,691 which must be used for specific purposes, whereas \$558,874 of the net position is unrestricted, meaning that they can be used for any program at discretion. The Statement of Net Position is designed to present the financial position of the Council as of year end. Over time, increases or decreases in the Council's net position is one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Morehouse Council on Aging, Inc.

June 30, 2022

(Continued)

The Statement of Activities provides information that shows how the Council's net position changed as a result of the year's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare and Social Services function is comprised of seven primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen activities, Medicare outreach and enrollment, and non-elderly transportation services. 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 usually one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

### Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, there are column presentations for a General Fund, three Special Revenue Funds that have been determined to be "Major Funds," and a column for the total of all remaining Special Revenue Funds, which are deemed to be "Nonmajor Funds." Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but is believed to be important for the Council's financial statement users. This year the Council presented the General and four Special Revenue Funds as Major Funds. The General Fund is used to account for all resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service of 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.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future for Council

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Morehouse Council on Aging, Inc.**

**June 30, 2022**

(Continued)

programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

### **Notes to the Financial Statements**

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

### **SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34**

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and for each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final budgets to actual budget 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 is also required supplementary information (RSI) by GASB Statement 34. However, GASB 34 requires it to be presented as the first item in this reporting package and not with GASB's other RSI, which is included later in this reporting package.

### **OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA**

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

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

The following table reflects condensed information on the Council's assets, liabilities, and net position for fiscal years 2022 and 2021.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Morehouse Council on Aging, Inc.

**June 30, 2022**

(Continued)

	2022	2021	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 797,722	\$ 669,863	\$ 127,859
Other Assets	170	170	-
Capital Assets, net of depreciation	312,164	292,414	19,750
Total Assets	1,110,056	962,447	147,609
Current and Other Liabilities	237,205	154,084	83,121
Total Liabilities	237,205	154,084	83,121
Net Position:			-
Invested in Capital Assets	303,286	270,604	32,682
Restricted	10,691	128,721	(118,030)
Unrestricted	558,874	409,038	149,836
Total Net Position	<u>\$ 872,851</u>	<u>\$ 808,363</u>	<u>\$ 64,488</u>

As of June 30, 2022 the Council "as a whole" had assets greater than its liabilities of \$872,851 whereas at June 30, 2021 net position was \$808,363. This is a increase of \$64,488.

About 64% and 51% of the Council's total net position is unrestricted as of June 30, 2022 and 2021, respectively. Unrestricted net position is important because they provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council's restricted net position represent 1% and 16% of the Council's total net position as of June 30, 2022 and 2021, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that have been invested in capital assets are presented net of any related outstanding debt incurred to acquire them. For 2022, debt of \$8,878 (\$21,810 for 2021) has to be subtracted from the capital asset amount. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure management will stay within its financial means so that future revenues will be spent for client services instead of debt service.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Morehouse Council on Aging, Inc.

June 30, 2022

(Continued)

The table presented below illustrates a condensed presentation of the revenues and expenses:

	<u>2022</u>	<u>% of Total</u>	<u>221</u>	<u>% of Total</u>
<b><u>Revenues</u></b>				
Program Revenues:				
Charges for Services	\$ -	0.00%	\$ -	0.00%
Operating Grants & Contributions	1,482,366	95.06%	1,154,005	75.08%
Capital Grants & Contributions	-	0.00%	-	0.00%
General Revenues				
Unrestricted Grants & Contributions	33,572	2.15%	378,872	24.65%
Other General Revenues	43,466	2.79%	4,143	0.27%
<b>Total Revenues</b>	<u>1,559,404</u>	<u>100.00%</u>	<u>1,537,020</u>	<u>100.00%</u>
<b><u>Direct Program Expenses for the Health Welfare and Social Services Function:</u></b>				
Supportive Services:				
Transportation for the Elderly	20,589	1.38%	16,336	1.20%
Other Supportive Services	111,370	7.45%	88,254	6.47%
Nutrition Services:				
Congregate Meals	8,261	0.55%	-	0.00%
Home-delivered Meals	247,436	16.55%	207,772	15.24%
Other Social Service Programs and Activities	21,303	1.43%	22,568	1.66%
Section 8 Housing	630,933	41.87%	570,867	47.89%
<b>Direct Administrative Expenses</b>	<u>455,024</u>	<u>30.44%</u>	<u>457,559</u>	<u>33.56%</u>
<b>Total Expenses</b>	<u>1,494,916</u>	<u>99.66%</u>	<u>1,363,356</u>	<u>106.02%</u>
<b>Increase (Decrease) in Net Position</b>	<u>\$ 64,488</u>		<u>\$ 173,664</u>	

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Morehouse Parish Council on Aging, Inc.**

**June 30, 2022**

(Continued)

The expenses in the table have been presented by primary programs, with some additional details about the 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 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.

The Council had an increase of \$64,488 in its net position for YE 2022, whereas the decrease in net position YE 2021 was \$173,664. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for YE 2022.

### **AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are case management, transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Morehouse Parish and right now, these services are in the greatest demand. However, there is a growing demand for other supportive services. As these demands increase, management will adjust its annual budget to reallocate available resources to meet the demands.

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. None of the programs are expected to be truly self-supporting; and management has prepared budgets accordingly. However, on occasion, a program might "break even" or even make a slight "profit." Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would have a difficult time providing at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administrative costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2022, total administration expenses were \$455,024, or 30% of total expenses. For 2021, total administrative expenses were \$457,559, or 34% of total expenses. Administration expenses include indirect type costs, meaning these are costs that are not specifically identified with a particular program, but which benefit all programs.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Morehouse Parish Council on Aging, Inc.

June 30, 2022

(Continued)

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

##### Fund Balances

The Council presents a combined governmental fund balance of \$537,759 as shown on the Fund Financial Statement's Balance Sheet at the end of this year, which is a increase of \$149,532 from 2020. When you look at the funds individually, you will see that the Council's General Fund increased by \$57,678 this year.

##### Revenues

The combined fund revenues increased by \$22,384 this year versus last year, as shown in the table below.

	<u>2022</u>	<u>2021</u>	<u>Amount</u>	<u>Percent</u>
Intergovernmental	\$ 1,265,629	\$ 1,254,444	\$ 11,185	49.97%
Public Support	69,212	87,488	(18,276)	-81.65%
Miscellaneous	<u>224,563</u>	<u>195,088</u>	<u>29,475</u>	<u>131.68%</u>
Total Revenues	<u>\$ 1,559,404</u>	<u>\$ 1,537,020</u>	<u>\$ 22,384</u>	<u>100.00%</u>

Most of the Council's activities were funded by federal, state, and local grants, which comprise the Council's intergovernmental revenues. The total of these types of grants was \$1,265,659 (2022) and \$1,254,444 (2021) and represent 81% and 82% of the total revenues of the Council in 2022 and 2021, respectively. 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.

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues for 2022 were \$69,212, (\$87,488 for 2021) and represented about 4% and 6% of the total revenues for 2022 and 2021, respectively.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Morehouse Parish Council on Aging, Inc.

June 30, 2022

(Continued)

#### Expenditures

Total expenditures increased by \$140,111 this year, as shown in the table that follows.

	2022	2021	Increase/(Decrease)	
			Amount	Percent
Personnel	\$ 325,777	\$ 305,074	\$ 20,703	6.79%
Fringe	28,317	25,924	2,393	9.23%
Travel	14,603	9,681	4,922	50.84%
Operating Services	907,720	815,694	92,026	11.28%
Operating Supplies	38,612	105,625	(67,013)	-63.44%
Other Costs	2,421	-	2,421	-100.00%
Meals	155,392	84,449	70,943	84.01%
Utility Assistance	-	-	-	0.00%
Capital Outlay	54,757	41,041	13,716	65.71%
Total	<u>\$ 1,527,599</u>	<u>\$ 1,387,488</u>	<u>\$ 140,111</u>	<u>5.35%</u>

#### AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of the past fiscal year, the budget was amended one time. The amendment effectively approves any expenditures that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from GOEA. A schedule of the original and amended budgets for the General Fund can be found in the Supplementary Financial Information Required by GASB 34 section of this report.

All of the Council's grants and contracts from the federal and state agencies have been awarded for FY 2023. There were no significant changes to funding levels or terms of grants or contracts.

#### CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it received. If you have any questions about this report or wish to ask for more information, you should contact Mr. Reggie DeFreese, Jr., Executive Director, P O Box 1471, Bastrop, Louisiana, or by phone at (318) 283-0845.

MOREHOUSE COUNCIL ON AGING, INC.

Government Wide Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
Assets	
Cash	\$ 779,310
Grants and contracts receivable	18,412
Capital assets, net of accumulated depreciation	312,164
Deposits	<u>170</u>
Total assets	<u>1,110,056</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	144,184
Unearned revenue	84,143
Current maturities of notes payable	8,878
Non-current maturities of note payable	<u>-</u>
Total liabilities	<u>237,205</u>
Deferred inflows of resources	<u>-</u>
Net position	
Invested in Capital Assets, net of debt	303,286
Restricted - NSIP	10,691
Unrestricted	<u>558,874</u>
Total net position	<u><u>\$ 872,851</u></u>

The accompanying notes are an integral part of this statement.



MOREHOUSE COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2022

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expenses) Revenues and Increases (Decreases) in Net Position Total Governmental Activities
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						
Health, Welfare & Social Services:						
Supporting Services:						
Other Services	\$ 14,148	\$ 5,696	\$ -	\$ 24,867	\$ -	\$ 5,023
Homemaker	60,482	35,287	-	106,817	-	11,048
Information and Assistance	16,574	7,120	-	29,132	-	5,438
Legal Assistance	3,166	-	-	3,166	-	-
Outreach	17,000	7,625	-	29,880	-	5,255
Transportation	20,589	17,619	-	36,188	-	(2,020)
Nutrition Services:	-	-				
Congregate Meals	8,261	43,609	-	140,390	-	88,520
Home Delivered Meals	247,436	128,854	-	265,713	-	(110,577)
Utility Assistance	-	-	-	-	-	-
Disease Prevention and Health Promotion	4,094	1,424	-	4,642	-	(876)
National Family Caregiver Support	17,209	15,869	-	32,475	-	(603)
Section 8 Housing	630,933	165,937		783,112		(13,758)
Administration	455,024	(429,040)	-	25,984	-	-
Total Governmental activities	<u>\$ 1,494,916</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,482,366</u>	<u>\$ -</u>	<u>\$ (12,550)</u>
General Revenues:						
Grants and contributions not restricted to specific programs						33,572
Miscellaneous						43,466
Total general revenues and special items						<u>77,038</u>
Increase (Decrease) in net position						64,488
Net position - beginning of year						808,363
Net position - end of the year						<u>\$ 872,851</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE COUNCIL ON AGING, INC.

Balance Sheet  
Governmental Funds  
June 30, 2022

	General Fund	Section 8	IIIB	C-1	C-2	Non-Major Funds	Total
<b>Assets</b>							
Cash	\$ 661,415	\$ 117,895	\$ -	\$ -	\$ -	\$ -	\$ 779,310
Grants and contracts receivable	18,412	-	-	-	-	-	18,412
Due from other Funds	-	-	-	-	-	10,691	10,691
Deposits	170	-	-	-	-	-	170
<b>Total Assets</b>	<b>\$ 679,997</b>	<b>\$ 117,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,691</b>	<b>\$ 808,583</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts Payable	\$ 26,289	\$ 117,895	\$ -	\$ -	\$ -	\$ -	\$ 144,184
Unearned Revenue	84,143	-	-	-	-	-	84,143
Due to other funds	10,691	-	-	-	-	-	10,691
<b>Total Liabilities</b>	<b>121,123</b>	<b>117,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239,018</b>
<b>Fund Balances</b>							
Reserved for:							
NSIP	-	-	-	-	-	10,691	10,691
Unassigned	558,874	-	-	-	-	-	558,874
<b>Total Fund Balances</b>	<b>558,874</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,691</b>	<b>569,565</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 679,997</b>	<b>\$ 117,895</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,691</b>	<b>\$ 808,583</b>

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

Other revenues are not available to pay for current expenditures and are deferred in the funds	-
Notes payable are not reported as revenue in the government wide funds	(8,878)
Capital assets unused in governmental activities are not financial resources and therefore are not reported in the funds	312,164
<b>Net position of Governmental Activities</b>	<b>\$ 872,851</b>

MOREHOUSE COUNCIL ON AGING, INC.  
Combining Statement of Program Revenues, Expenditures  
and Changes in Fund Balances

For the Year Ended June 30, 2022

	General	Section 8	Title IIIB	C-1	C-2	Non-Major Funds	Totals
<b>REVENUES</b>							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 177,463	\$ -	\$ 72,193	\$ 93,750	\$ 96,202	\$ 85,997	\$ 525,605
Housing and Urban Development	70,100	669,924	-	-	-	-	740,024
Health and Hospitals	-	-	-	-	-	-	-
Contract Services	11,143	-	-	-	-	-	11,143
Public Support:							
Unrestricted	33,572	-	-	-	-	-	33,572
Restricted - Utility Programs	-	-	-	-	-	-	-
Charitable Gaming	181,097	-	-	-	-	-	181,097
Client Contributions	-	-	1,899	26,074	7,667	-	35,640
Miscellaneous	30,266	-	-	-	-	2,057	32,323
Total Revenues	503,641	669,924	74,092	119,824	103,869	88,054	1,559,404
<b>EXPENDITURES</b>							
Salaries	67,369	-	58,011	40,254	82,814	77,329	325,777
Fringe	6,921	-	5,372	3,355	6,685	5,984	28,317
Travel	2,154	-	7,527	-	1,402	3,520	14,603
Operating Services	149,038	669,924	31,241	-	36,770	20,747	907,720
Operating Supplies	25,635	-	2,877	-	2,791	7,309	38,612
Other Costs	831	-	-	-	832	758	2,421
Meals	-	-	-	-	96,767	58,625	155,392
Utility Assistance	-	-	-	-	-	-	-
Capital Outlay	54,757	-	-	-	-	-	54,757
Total Expenditures	306,705	669,924	105,028	43,609	228,061	174,272	1,527,599
Excess (deficiency) of revenues over expenditures	196,936	-	(30,936)	76,215	(124,192)	(86,218)	31,805
<b>OTHER FINANCING SERVICES (USES)</b>							
Operating transfers in	-	-	30,936	17,003	124,192	-	172,131
Operating transfers out	(47,100)	-	-	(93,218)	-	(31,813)	(172,131)
Excess (deficiency) of revenues and other sources over expenditures and other uses	149,836	-	-	-	-	(118,031)	31,805
<b>FUND BALANCES</b>							
Beginning of year	409,038	-	-	-	-	128,722	537,760
End of year	\$ 558,874	\$ -	\$ -	\$ -	\$ -	\$ 10,691	\$ 569,565

The accompanying notes are an integral part of this statement.

MOREHOUSE COUNCIL ON AGING, INC.

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

Year Ended June 30, 2022

Net Increase (Decrease) in fund balances total governmental funds	\$ 31,806
<p>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 capital outlay (\$54,757) exceeds depreciation (\$35,007)</p>	19,750
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
<p>The repayment of long-term debt consumes the current financial resources of governmental funds. The repayment of debt is not an expenditure in the statement of activities</p>	<u>12,932</u>
Increase (Decrease) of net position of governmental activities	<u>\$ 64,488</u>

The accompanying notes are an integral part of this statement.

MOREHOUSE COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2022

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting and reporting policies of Morehouse 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 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 of other conditions affecting the welfare of the aging people in Morehouse 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) and other departments of state and local government serving the elderly, and; to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

The primary services provided by the Council to the elderly residents of Morehouse Parish include congregate and home-delivered meals, nutritional education, information and assistance, outreach, utility assistance, homemaker services, telephoning, personal care, care, wellness, medication management, family caregiver support, medical alert rentals, and transportation.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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 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 services and programs for the elderly population of Louisiana through sixty-four 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 that apply to quasi-public agencies, as well as the policies and regulations established GOEA.

Morehouse Council on Aging (the Council) is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, of the Louisiana Revised Statutes on September 21, 1996.

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.

Membership in the Council is open at all times, without restriction, to all residents of Morehouse 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.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Reporting Entity (Continued)**

Based on the criteria set forth in GASB Statement 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it was 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, the purpose of which are to report individual major governmental funds and combined nonmajor funds.

Both the government-wide and fund financial statements categorize primary activities either "governmental" or "business-type". The Council's functions and programs have 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 and Statement of Activities 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 assets (financial position) resulting from the activities of the current year. Intergovernmental revenues primarily support governmental activities.

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 are reported in three parts - invested in assets, net of related debt; restricted net position; and unrestricted net position.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

The government-wide Statement of Activities reports both the gross and net cost of each Council's functions and significant programs. Many functions and programs are general government revenues such as intergovernmental revenues and unrestricted support, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as services, operating and capital grants, and restricted contributions, to derive the cost of each function or program. Program revenues must be directly associated with the program to be used to directly offset its cost. Operating grants include operating - specific 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 a specific function or program, whereas, the Council allocates its indirect expenses various functions and programs in accordance with OMB Circular A-87, *Cost States, Local, and Indian Tribal Governments*. 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 Council when it renders services provided by a specific function or program to people or entities. Unrestricted contributions, unrestricted grants, interest income, and revenues that are not included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the management that are either unusual in nature or infrequent in occurrence and are reported below general revenues. The Council did not have any material special items this year.

**Fund Financial Statements:**

The fund financial statements present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before 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 with segregating transactions relating to certain governmental functions or activities. Government resources are reported 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.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of the 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% the corresponding total for all funds in that category or type. In addition, management may also choose to report any other governmental fund as a major fund if management believes the fund is particularly important to financial statement users. 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 a 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:

**The General Fund** is the primary operating fund of the Council and is used to account for all the 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 fund of the General Fund. These funds are unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where 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.

**Section 8 Fund**

The Council operates a Section 8 Housing Program for low income families and the elderly to afford decent, safe, and sanitary housing for program participants.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

**PCOA Funding**

PCOA funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In FY 2022, the Council received this grant money into its General Fund. Management transferred \$1,599 of the PCOA funds to the IIIB and \$11,783 to C-2 to help pay for those fund's program expenditures.

**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 are used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center". During the year, management transferred \$18,425 of its Senior Center Funds to the IIIB Fund to subsidize that program's costs of providing services to elderly persons who use the senior centers.

**Audit Funding**

Each year GOEA provides funds to subsidize the cost of the Council's annual audit. Council did not receive any audit funds for 2022.

**Transportation Program Services**

The Council provides various transportation services to the residents of Morehouse Parish who are at least 60 years old, which are accounted for in the "Elderly Transportation" program of the Title III B Fund.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

**NonMajor 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, with the number of units provided during the fiscal year, are as follows:

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	481
Outreach	137
Homemaker	2,037
Legal	34
Transportation for persons age 60 or older	32

There were five main sources of revenues received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part B - Grants for Supportive (\$72,193) and restricted, voluntary contributions from those persons who received supportive services (\$1,899), Senior Center Funds (\$18,425), Supplemental Senior Center (\$10,913), and PCOA (\$1,599).

**Title III C-1 Fund**

The Title III C-1 Fund accounts for funds used to provide congregate meals to persons age 60 or older in strategically located centers throughout Morehouse Parish. During the year, the Council provided 25,518 meals to persons eligible to participate in this program. The main source of revenues received this year that forms the basis of this fund: Special Programs for the Aging - Title III, Part C-1 - Nutrition Services grant funds (\$93,750) and restricted, voluntary contributions from those persons who received C-1 meals (\$26,074).

**Title III C-2 Fund**

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound persons who are age 60 or older. During the year the Council provided 16,745 home-delivered meals.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

There were six main sources of revenue received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part C-2 - Nutrition Services grant (\$96,202); C-1 funds (\$93,218); and restricted voluntary contributions from the public (\$7,667), including those persons actually receiving home-delivered meal services, PCOA (\$11,783), NSIP - (\$18,563) and Local - (\$628).

**Title III D Fund**

The Title III D Fund is used to account for funds used for disease prevention and promotion (wellness) activities. During the year the Council provided 257 units of service of medication management to eligible participants. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (\$4,638).

**Title III E Fund**

The Title III E Fund is used to account for funds that are used to provide support for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council provided 606 units of respite under this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E - National Family Caregivers Support Program (\$27,803).

**Utility Assistance Fund**

This fund is used to account for the administration of the utility assistance programs sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on aging throughout the year to provide assistance to the elderly for the payment of utility bills.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Basis of Presentation of the Basic Financial Statements (Continued)**

**EFSP Fund**

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP), the purpose of which is to supplement food shelter assistance to individuals. Funds are provided by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the United Way of America, which in turn "passes through" the funds to the Council. The Council did not receive FEMA funds in 2022.

**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 measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

● **Fund Financial Statements - Modified Accrual Basis**

Governmental fund level financial statements are reported using a current 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) decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; when they are both measurable and available. "Measurable" means the amount of transaction can be determined and "available" means collectible within the 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 sixty days of the current fiscal year end. Expenditures are generally recorded the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Measurement Focus and Basis of Accounting (Continued)**

available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

**e. Interfund Activity**

In the fund financial statement, 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.

For the purpose 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, there was no restricted cash.

**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 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, 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, the fair market value of the contract is not significantly affected by the impairment of credit standing of the issuer or other factors. The Council did not own any investments of this type at year end.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h. Investments (Continued)**

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 value are reported at estimated fair value. The Council did not own any investments of this type at year-end.

**i. Prepaid Expenses/Expenditures**

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expense are shown as either current or other assets on the government-wide Statement 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 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 acquire vehicles that will be titled to another government are recorded as prepaid expense and amortized in the Statement of Net Position to better present the economies 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.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**j. Capital Assets (Continued)**

**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 acquired, these assets are recorded as capital assets in the government-wide Statement of Net Assets. 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 significantly extend the asset's useful life. Routine repairs and maintenance are as incurred.

For capital assets recorded in the government-wide financial statements, depreciation computed and recorded using the straight-line method for the assets estimated 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 assets are as follows:

Office equipment - other than computer	6 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

When calculating depreciation, the State's guideline assumes that capital assets will have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

**k. Non-Current (Long-Term) Liabilities**

The accounting treatment of non-current liabilities depends on whether they are in the government-wide or fund financial statements. In the government-wide statements, all non-current liabilities that will be repaid from governmental resources 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.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**l. Unpaid Compensated Absences**

The Council's policy for vacation time does not allow its employees to accumulate earned, but unused vacation leave. Accordingly, no liability for unpaid vacation leave has been recorded in the Government-Wide Statements.

**m. Advances from Funding Agency**

Advances from funding agency represent unexpected 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 amount due becomes known, normally when a final accounting is submitted to the funding agency. Advances to funding agency at June 30, 2022 totaled \$-0-.

**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 as when grant monies are received before the occurrence of qualifying expenditures. subsequent periods, when the Council has a legal claim to the resources, the liability deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be; and the revenue is recognized. Unearned revenue at June 30, 2022 totalled \$84,813 and is composed of the following: American Rescue Plan (ARP) IIIB - \$28,098, ARP C-1 \$10,645, ARP C-2 - \$27,502, ARP IIIE - \$5,463, ARP IIID - \$2,764, and ARP AAA- \$9,671.

**o. Net Position in the Government-Wide Financial Statements**

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

- Invested in capital assets - This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. Net Position in the Government-Wide Financial Statements (Continued)**

- Restricted net position - This component consists of net position with constraints 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 or enabling legislation.
- Unrestricted net position - This component consists of all other net position that meet the definition of "restricted" or "invested in capital" assets.

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

**p. Fund Equity - Fund Financial Statements**

Governmental fund equity is classified as fund balance. Beginning with FY 2010, the Council's management implemented GASB Statement 54, *Fund Balance Reporting Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe relative strength of the spending constraints placed on the purposes for which can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources that 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.

Management has classified fund balance for utility assistance as being restricted due to constraints on the use of the money.

**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p. Fund Equity - Fund Financial Statements (Continued)**

- **Committed:** This classification includes amounts that can only be used for 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-authority. These amounts cannot be used for any other purpose unless the board 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 amounts that are constrained by the intent to be used for a specific purpose but are neither restricted nor committed. This intent 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 has no assigned fund balance at year end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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 other classified funds.

**q. Management's Use of Estimates**

The preparation of financial statements in conformity with U.S. 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.



**Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**r. 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 formula based primarily on the relationship the direct cost a program bears to the cost of all programs. There are some programs that cannot absorb any indirect allocation according to their grant or contract restrictions.

**s. 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.

**t. Accounting Pronouncement**

Management has adopted the provisions of Governmental Accounting Standards Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this accounting standard are with how components of the Council's fund balances will be presented on the fund balance sheet and on the presentation of special revenue funds on the statement of revenues, expenditures and changes in fund balances. The number of special revenue funds will be less than in previous years because of the new definition of what constitutes a special revenue fund.



## **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, and interest income must be both measurable and available. However, the timing and amounts of the receipts of public and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

## **Note 3 - CASH**

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

At year end, the carrying amount of the Council's cash balances was \$779,310, whereas, bank balances totaled \$786,751. The difference in the book and bank balances for cash balances relates primarily to outstanding deposits and checks at year end. Bank balances of \$598,414 were collateralized by FDIC insurance. Balances of \$188,337 were uninsured and subject to risk.

## **Note 4 - IN-KIND CONTRIBUTIONS**

The Council received a variety of in-kind contributions during the year; but it 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.

**Note 5 - CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION**

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

Capital Assets	Balance 6/30/2021	Increase	Decrease	Balance 6/30/2022
Building	\$ 369,101	\$ -	\$ -	\$ 369,101
Furniture and Equipment	324,184	54,757	-	378,941
Leasehold Improvements	61,644	-	-	61,644
Subtotal	<u>754,929</u>	<u>54,757</u>	<u>-</u>	<u>809,686</u>
Building	180,348	13,318		193,666
Furniture & Equipment	220,523	21,689	-	242,212
Leasehold Improvements	61,644	-	-	61,644
Subtotal	<u>462,515</u>	<u>35,007</u>	<u>-</u>	<u>497,522</u>
Net Assets	<u>\$ 292,414</u>	<u>\$ 19,750</u>	<u>\$ -</u>	<u>\$ 312,164</u>

Depreciation was charged to governmental activities as follows:

Administration	\$ 13,318
Title IIIB, Supportive Services	<u>21,689</u>
Total	<u>\$ 35,007</u>

**Note 6 - BOARD OF DIRECTORS' COMPENSATION**

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

**Note 7 - 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 is required to file Form 990 with the Internal Revenue Service on an annual basis. Returns for years ended June 30, 2020 and later are subject to review by the Internal Revenue Service. The Council is not aware of any uncertain tax positions that could cause future tax liabilities.

**Note 8 - 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 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.

**Note 9 - JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES**

As of the end of this fiscal year, the Council's management has no knowledge of any litigation, lawsuits or claims against the Council, except as described in the next paragraph. 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 10 - CONTINGENCIES - GRANT PROGRAMS**

The Council participates in a number of state and federal grant programs, 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 contingencies. Audits in 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 11 - INTERFUND RECEIVABLES AND PAYABLES**

Because the Council operates most of 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 in the Fund Financial Statements. A summary of those interfund loans at year end is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ 10,691
Special Revenue	10,691	-
Total	<u>\$ 10,691</u>	<u>\$ 10,691</u>

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

**Note 12 - INTERFUND TRANSFERS**

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

Transfer To	IIIB	C-1	C-2	Supplemental Senior Ctr	Senior Center	Total
Special Revenue Funds	\$ 30,936	\$ 17,003	\$124,192			\$172,131
	30,936	17,003	124,192	-	-	172,131
Transfer From						
Special Revenue Funds:						
IIIB	-	-	-	-	-	-
C-1	-	-	93,218	-	-	93,218
C-2	-	-	-	-	-	-
PCOA	1,598	-	11,783	-	-	13,381
Supple Sr Center	10,913	-	-	-	-	10,913
Senior Center	18,425	-	-	-	-	18,425
Covid 19 C-1	-	-	-	-	-	-
Covid 19 C-2	-	-	-	-	-	-
NSIP	-	13,250	18,563	-	-	31,813
Local	-	3,753	628	-	-	4,381
Total Special Revenue	30,936	17,003	124,192	-	-	172,131
Total All	<u>\$ 30,936</u>	<u>\$ 17,003</u>	<u>\$124,192</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$172,131</u>

### Note 13 - ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from other governments 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 state and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of actions that will adversely affect the amount of funds the Council will receive in the fiscal year 2023 relating to its usual sources of intergovernmental revenues.

### Note 14 - RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

### Note 15 - DEBT

Debt at June 30, 2022 consisted of the following:

	Balance 6/30/2021	Principal Payments	Balance 6/30/2022
USDA			
Principal payments	\$ 21,810	\$ (12,932)	\$ 8,878

The note payable to USDA is payable in monthly installments of \$1,159, bears interest at the rate of 4.375% and is collateralized by a building.

Maturities of notes payable are as follows:

	Principal	Interest	Total
2023	8,878	173	9,051
Total	\$ 8,878	\$ 173	\$ 9,051

### Note 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2022, the date the financial statements were available to be issued, and determined no additional disclosures are warranted.

MOREHOUSE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - General Fund

June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 178,178	\$ 178,178	\$ 177,463	\$ (715)
Housing & Urban Development	69,600	69,600	70,100	500
Social Services	-	-	-	-
Health & Hospitals	-	-	-	-
Contributions	43,327	43,327	33,572	(9,755)
Contract Services	7,643	7,643	11,143	3,500
Charitable Gaming	183,302	183,302	181,097	(2,205)
Miscellaneous	4,143	4,143	30,266	26,123
Total Revenues	<u>486,193</u>	<u>486,193</u>	<u>503,641</u>	<u>17,448</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	85,017	85,017	67,369	17,648
Fringe	9,208	9,208	6,921	2,287
Travel	802	802	2,154	(1,352)
Operating Services	144,300	144,300	149,028	(4,728)
Operating Supplies	96,403	96,403	25,635	70,768
Meals	-	-	831	(831)
Other Costs	-	-	-	-
Capital Outlay	41,041	41,041	54,757	(13,716)
Total Expenditures	<u>376,771</u>	<u>376,771</u>	<u>306,695</u>	<u>70,076</u>
Excess (deficiency) of revenues over expenditures	<u>109,422</u>	<u>109,422</u>	<u>196,946</u>	<u>87,524</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	(51,744)	(51,744)	(47,100)	4,644
Total other financing sources and uses	(51,744)	(51,744)	(47,100)	4,644
Net increase (decrease) in fund balances	57,678	57,678	149,846	92,168
<b>FUND BALANCES</b>				
Beginning of year	<u>409,038</u>	<u>409,038</u>	<u>409,038</u>	<u>-</u>
End of year	<u>\$ 466,716</u>	<u>\$ 466,716</u>	<u>\$ 558,884</u>	<u>\$ 92,168</u>

MOREHOUSE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Section 8

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Department of HUD	\$ 570,867	\$ 570,867	\$ 669,924	\$ 99,057
Public Support	-	-	-	-
Total Revenues	<u>570,867</u>	<u>570,867</u>	<u>669,924</u>	<u>99,057</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	570,867	570,867	669,924	(99,057)
Operating Supplies	-	-	-	-
Other Costs	-	-	-	-
Meals	-	-	-	-
Total Expenditures	<u>570,867</u>	<u>570,867</u>	<u>669,924</u>	<u>(99,057)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MOREHOUSE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Supportive Services Fund

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 72,193	\$ 72,193	\$ 72,193	\$ -
Public Support	6,500	6,500	1,899	(4,601)
Total Revenues	78,693	78,693	74,092	(4,601)
<b>EXPENDITURES</b>				
Current:				
Personnel	84,995	84,915	58,011	26,904
Fringe	10,384	10,374	5,372	5,002
Travel	10,003	11,041	7,527	3,514
Operating Services	32,822	33,828	31,241	2,587
Operating Supplies	7,176	7,291	2,877	4,414
Other Costs	3,750	3,750	-	3,750
Capital Outlay	-	-	-	-
Total Expenditures	149,130	151,199	105,028	46,171
Excess (deficiency) of revenues over expenditures	(70,437)	(72,506)	(30,936)	41,570
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	70,437	72,506	30,936	(41,570)
Transfers out	-	-	-	-
Total other financing sources and uses	70,437	72,506	30,936	(41,570)
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -



MOREHOUSE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III C-1 Fund

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	93,750	\$ 93,750	\$ 93,750	\$ -
Public Support	16,739	16,739	26,074	9,335
Total Revenues	110,489	110,489	119,824	9,335
<b>EXPENDITURES</b>				
Current:				
Personnel	69,563	69,562	40,254	29,308
Fringe	8,498	8,498	3,355	5,143
Travel	876	1,051	-	1,051
Operating Services	39,147	40,481	-	40,481
Operating Supplies	6,575	6,627	-	6,627
Meals	53,259	54,870	-	54,870
Other Costs	4,250	4,250	-	4,250
Total Expenditures	182,168	185,339	43,609	141,730
Excess (deficiency) of revenues over expenditures	(71,679)	(74,850)	76,215	151,065
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	71,679	74,850	17,003	(57,847)
Transfers out		-	(93,218)	(93,218)
Total other financing sources and uses	71,679	74,850	(76,215)	(151,065)
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

MOREHOUSE COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III C-2 Fund

For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts GAAP Basis</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 121,919	\$ 96,202	\$ 93,041	\$ (3,161)
Public Support	10,703	10,703	42,752	32,049
Total Revenues	<u>132,622</u>	<u>106,905</u>	<u>135,793</u>	<u>28,888</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	77,669	77,635	120,898	(43,263)
Fringe	9,489	9,485	9,945	(460)
Travel	926	1,110	734	376
Operating Services	40,084	41,428	64,493	(23,065)
Operating Supplies	6,766	6,819	3,832	2,987
Meals	53,260	54,870	80,848	(25,978)
Other Costs	4,250	4,250	-	4,250
Total Expenditures	<u>192,444</u>	<u>195,597</u>	<u>280,750</u>	<u>(85,153)</u>
Excess (deficiency) of revenues over expenditures	<u>(59,822)</u>	<u>(88,692)</u>	<u>(144,957)</u>	<u>(56,265)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	59,822	88,692	144,957	56,265
Transfers out		-	-	-
Total other financing sources and uses	<u>59,822</u>	<u>88,692</u>	<u>144,957</u>	<u>56,265</u>
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MOREHOUSE COUNCIL ON AGING, INC.

Combining Statement of Program Revenues, Expenditures  
and Changes in Fund Balances  
Non-Major Special Revenue Funds  
For the Year Ended June 30, 2022

	<u>Cares IIIB</u>	<u>Cares IIIC</u>	<u>Cares IIIE</u>	<u>NSIP</u>	<u>Title IIID</u>	<u>CARES HDCS</u>
<u>REVENUES</u>						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ -	\$ 22,242	\$ 4,638	\$ 23,660
Other	-	-	-	-	-	2,057
Public Support:						
Restricted - Utility Programs	-	-	-	-	-	-
Client Contributions	-	-	-	-	-	-
Total Revenues	-	-	-	22,242	4,638	25,717
<u>EXPENDITURES</u>						
Salaries	24,092	16,165	11,590	-	-	5,700
Fringe	1,843	1,244	886	-	-	435
Travel	12	-	-	-	-	-
Operating Services	1,476	1,979	750	-	4,638	6,528
Operating Supplies	1,754	-	340	-	-	-
Other Costs	-	758	-	-	-	-
Meals	-	45,571	-	-	-	13,054
Utility Assistance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	29,177	65,717	13,566	-	4,638	25,717
Excess (deficiency) of revenues over expenditures	(29,177)	(65,717)	(13,566)	22,242	-	-
<u>OTHER FINANCING SOURCES</u>						
<u>(USES)</u>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	(31,813)	-	-
Excess (deficiency) of revenues and over sources over expenditures and other uses	(29,177)	(65,717)	(13,566)	(9,571)	-	-
<u>FUND BALANCES</u>						
Beginning of year	29,177	65,717	13,566	20,262	-	-
End of year	\$ -	\$ -	\$ -	\$ 10,691	\$ -	\$ -

CARES			
Vaccine Outreach	Title IIIE	Utility Assistance	Totals
\$ 7,654	\$ 27,803	\$ -	\$ 85,997
-	-	-	2,057
-	-	-	-
-	-	-	-
7,654	27,803	-	88,054
1,060	18,722	-	77,329
84	1,492	-	5,984
-	3,508	-	3,520
1,700	3,676	-	20,747
4,810	405	-	7,309
-	-	-	758
-	-	-	58,625
-	-	-	-
-	-	-	-
7,654	27,803	-	174,272
-	-	-	(86,218)
-	-	-	-
-	-	-	(31,813)
-	-	-	(118,031)
-	-	-	128,722
\$ -	\$ -	\$ -	\$ 10,691

MOREHOUSE COUNCIL ON AGING, INC.

Statement of Fixed Assets  
and Changes in Fixed Assets

For the Year Ended June 30, 2022

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
General Fixed Assets, at cost:				
Building	\$ 369,101	\$ -	\$ -	\$ 369,101
Furniture and equipment	324,182	54,757	-	378,939
Leasehold Improvements	61,646	-	-	61,646
Total	<u>\$ 754,929</u>	<u>\$ 54,757</u>	<u>\$ -</u>	<u>\$ 809,686</u>
Investment in General Fixed Assets:				
Property with no reflection				
of source and general fund acquisitions	\$ 79,817	\$ -	\$ -	\$ 79,817
Title IIIC-1	7,511	-	-	7,511
Title III C-2	2,890	-	-	2,890
Senior Center	4,690	2,906	-	7,596
Title III B Supportive Services	604	-	-	604
Title III D	1,120	-	-	1,120
Supplemental Senior Center	3,818	-	-	3,818
Act 55	-	28,956	-	28,956
Local	654,479	22,895	-	677,374
Total	<u>\$ 754,929</u>	<u>\$ 54,757</u>	<u>\$ -</u>	<u>\$ 809,686</u>

MOREHOUSE COUNCIL ON AGING, INC.  
Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
to Agency Head  
For the Year Ended June 30, 2022

Agency Head: Reggie DeFreese, Jr.

Salary	<u>\$ 32,600</u>
Payroll Taxes	<u>\$ 7,539</u>
Insurance	<u>\$ 2,903</u>
Reimbursements	<u>\$ 1,949</u>
Travel	<u>\$ -</u>

MOREHOUSE COUNCIL ON AGING, INC.

Schedule of Expenditure of Federal Awards  
For the Year Ended June 30, 2022

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	REVENUE RECOGNIZED	EXPENDITURES
<u>U. S. Department of Health and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs: Special programs for the aging:				
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	\$ 42,191	\$ 42,191	\$ 42,191
Title III, Part C - Area Agency Administration	93.045	19,563	19,563	19,563
Title C-1 - Congregate Meals	93.045	50,928	50,928	50,928
Title C-2- Home Delivered Meals	93.045	42,241	42,241	42,241
Subtotal CFDA# 93.045		<u>112,732</u>	<u>112,732</u>	<u>112,732</u>
Nutritional Services Incentive Program	93.053	22,242	22,242	22,242
Vaccine Outreach	93.048	7,654	7,654	7,654
Total Aging Clustter		<u>184,819</u>	<u>184,819</u>	<u>184,819</u>
Title III, Part D - Health Facilitation	93.043	4,252	4,252	4,252
Title III, Part E - Caregiver	93.052	20,852	20,852	20,852
Total Department of Health and Human Services		<u>209,923</u>	<u>209,923</u>	<u>209,923</u>
<u>United States Treasury</u>				
Cares Act	21.019	23,660	23,660	23,660
Total for United States Treasury		<u>23,660</u>	<u>23,660</u>	<u>23,660</u>
Department of Housing and Urban Development				
Section 8 Housing Voucher		669,924	669,924	669,924
Total - All Federal Awards		<u>\$ 903,507</u>	<u>\$ 903,507</u>	<u>\$ 903,507</u>

MOREHOUSE COUNCIL ON AGING, INC.

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Note 1 - General

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Morehouse Council on Aging, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Morehouse Council on Aging, Inc. did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

Morehouse Council on Aging, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.





# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## 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*

Board of Directors  
Morehouse Council on Aging, Inc.  
Bastrop, Louisiana

I 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, 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 Morehouse Council on Aging, Inc. as of and for the year ended June 30, 2022, and the notes to the financial statements, which collectively comprise Morehouse Council on Aging, Inc.'s basic financial statements, and have issued my report thereon dated December 19, 2022.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Morehouse Council on Aging, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

*My consideration of internal control over financial reporting* was for the limited purpose described in the second paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings, I identified a certain deficiency in internal control that I consider to be a material weakness.

*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 misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Council'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.

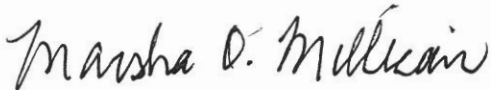
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify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

### Compliance and Other Matters

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

### Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant  
December 19, 2022



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

To the Board of Directors  
Morehouse Council on Aging, Inc.  
Bastrop, Louisiana

### Report on Compliance for Each Major Program

I have audited the Morehouse Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morehouse Council on Aging, Inc.'s major federal programs for the year ended June 30, 2022. The Council's major federal programs are identified in the in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Morehouse Council on Aging, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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)*. Those standards and Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Council's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the Council's compliance.

### Opinion on Each Major Federal Program

In my opinion, Morehouse Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

810 WILKINSON  
SHREVEPORT, LA 71104-3036  
(318) 221-3881  
FAX: (318) 221-4641



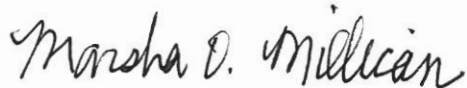
### Report on Internal Control Over Compliance

The management of Morehouse Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Council's internal control over compliance with requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over compliance.

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

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Certified Public Accountant  
December 19, 2022

MOREHOUSE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2022

**A. Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.
4. No material weaknesses relating to the audit of major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Morehouse Council on Aging, Inc. expresses an unmodified opinion.
6. There are no findings relative to the major federal award programs for Morehouse Council on Aging, Inc.
7. The programs tested as major programs included:

Section 8 Housing Voucher 14.871

The threshold for distinguishing Types A and B programs was \$750,000.

Morehouse Council on Aging, Inc. was determined to be a low-risk auditee.

**B. Findings - Financial Statement Audit**

None.

**C. Findings and Questioned Costs - Major Federal Award Programs**

None.

MOREHOUSE COUNCIL ON AGING, INC.

Corrective Action Taken on Prior Year Findings

Year Ended June 30, 2022

There were no findings for the year ended June 30, 2021.



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors  
Morehouse Council on Aging,  
Bastrop, Louisiana

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

The Board of Directors of Morehouse Council on Aging 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 the LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

**The entity has written policies and procedures that adequately address this function.**

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.



**The entity has written policies and procedures that adequately address this function.**

- c) *Disbursements*, including processing, reviewing, and approving.

**The entity has written policies and procedures that adequately address this function.**

- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

- i) *Ethics*, including (1) the prohibition 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.

**The entity has written policies and procedures that adequately address this function.**

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

**The entity has written policies and procedures that adequately address this function.**

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from a 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.

**The entity has written policies and procedures that adequately address this function.**

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

**Procedure Results: The entity has sexual harassment policies and procedures; however, they do not include the requirements above.**

**Management's Response: We will amend our policies and procedures to include R.S. 43: 342-344 requirements.**

#### **Board or Finance Committee**

---

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

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

**No exceptions were noted as a result of this procedure.**

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to the public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

**No exceptions were noted as a result of this procedure.**

- c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

**No exceptions were noted as a result of this procedure.**

### ***Bank Reconciliations***

---

- 3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

**No exceptions were noted as a result of this procedure.**

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

### ***Collections (excluding electronic funds transfers)***

---

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

**Not applicable. The entity does not use pre-numbered receipts. The entity does not charge for services; however, donations are accepted for congregate meals, home-delivered meals and transportation. Clients place donations in locked boxes which are always opened and counted by at least two staff members before being given to the accounting office for deposit.**

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**See a) above.**

- c) Trace the deposit slip total to the actual deposit per the bank statement.

**No exceptions were noted as a result of this procedure.**

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

**No exceptions were noted as a result of this procedure.**

- e) Trace the actual deposit per the bank statement to the general ledger.

**No exceptions were noted as a result of this procedure.**

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

---

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

**No exceptions were noted as a result of this procedure.**

- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**No exceptions were noted as a result of this procedure.**

- b) At least two employees are involved in processing and approving payments to vendors.

**No exceptions were noted as a result of this procedure.**

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

**No exceptions were noted as a result of this procedure.**

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**No exceptions were noted as a result of this procedure.**

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

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

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

**No exceptions were noted as a result of this procedure.**

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

#### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

- 11. Obtain from management a listing of all credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

**A list of all credit, debit, fuel and other cards was obtained with management's assertion that the list is complete.**

- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was received and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioners should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**No exceptions were noted as a result of this procedure.**

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

---

- 14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
  - a) If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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



**No exceptions were noted as a result of this procedure.**

### ***Contracts***

---

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

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

- c) 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 was approval documented).

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

### ***Payroll and Personnel***

---

16. Obtain a list 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 salaries and personnel files, and agree paid salaries to authorized salaries/ pay rates in the personnel files.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning



leave according to a policy and/or contract, the official should document his/her daily attendance and leave.

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity policy on termination payments. Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or official's personnel files, and agree the termination payment to entity policy.

**No exceptions were noted as a result of this procedure.**

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed by the required deadlines.

**No exceptions were noted as a result of this procedure.**

### ***Ethics***

---

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
  - a) Observe that the documentation demonstrates each employee/official completed on hour of ethics training during the fiscal period.

**No exceptions were noted as a result of this procedure.**

- b) Observe that 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.

**No exceptions were noted as a result of this procedure.**

#### ***Debt Service***

---

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

**No new debt was incurred during the fiscal year.**

- 22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**No exceptions were noted as a result of this procedure.**

#### ***Fraud Notice***

---

- 23. Obtain a listing of misappropriation 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 to the district attorney of the parish in which the entity is domiciled.

**No exceptions were noted as a result of this procedure.**

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

**No exceptions were noted as a result of this procedure.**

#### ***Information Technology Disaster Recovery/Business Continuity***

---

- 25. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

**I performed the procedures and discussed the results with management.**

- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

**I performed the procedures and discussed the results with management.**

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

**I performed the procedures and discussed the results with management.**

### ***Sexual Harassment***

---

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

**Procedure Results: Employees/officials did not have sexual harassment training**

**Management's Response: Employees/officials will complete sexual harassment training in the future.**

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

**Procedure Results: Sexual harassment policy is not posted on the entity's website.**

**Management's Response: We will post sexual harassment policy on our website.**

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

**Procedure Results: Annual sexual harassment report was not filed.**

**Management's Response: We will file annual sexual harassment report in the future.**

- a) Number and percentage of public servants in the agency who have completed the training requirements.;

**See response above.**

- b) Number of sexual harassment complaints received by the agency;

**See response above.**

- e) Amount of time it took to resolve each complaint.

**See response above.**

I was engaged by the Council to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Council and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my 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.

*Marsha D. Milligan*

Certified Public Accountant  
December 19, 2022