

DESOTO COUNCIL ON AGING, INC.

Mansfield, Louisiana

FINANCIAL STATEMENTS

June 30, 2023

Marsha O. Millican  
A Professional Accounting Corporation  
Shreveport, Louisiana

DESOTO COUNCIL ON AGING, INC.

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# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
DeSoto Council on Aging, Inc.  
Mansfield, Louisiana

### Opinion

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

In 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 DeSoto Council on Aging, Inc. as of June 30, 2023, 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 DeSoto 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 DeSoto 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 DeSoto 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 DeSoto 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 14 and the budgetary information on pages 41 through 44, 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**

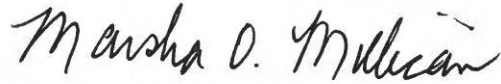
My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise DeSoto Council on Aging, Inc.'s basic financial statements. The supplementary information on pages 45-47 are presented for purposes of additional analysis and are not a required part of 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 February 24, 2024 on my consideration of DeSoto 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 February 24, 2024 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.



Certified Public Accountant  
February 24, 2024

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

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

FINANCIAL HIGHLIGHTS

- The Council showed a decrease in overall net position of \$9,263 this year.
- Net Capital Assets of the Council decreased by \$17,773 this year.
- The Council's revenue, on a modified accrual basis, increased by \$41,659 this year.
- Expenditures, on a modified accrual basis, decreased by \$115,441 this year.
- The unassigned fund balance for the Council's General Fund was \$197,251 at year-end, which is an increase of \$4,638 from the prior year.
- No deficit fund balances existed at year-end.

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's reports

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(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 report 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 15. 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 \$48,958 which must be used for specific purposes, whereas \$199,620 of net position is unrestricted, meaning that they can be used for any program at management's 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 are 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.



DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(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. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the 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. In the fund financial statements, there are column presentations for a General Fund, one Special Revenue Fund that has been determined to be a "Major Fund," 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. The major funds are General, IIB Supportive Services, C-1, and C-2 funds. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

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

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(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 position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to 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 by 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 2023 and 2022.

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(Continued)

	2023	2022	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 437,466	\$ 354,589	\$ 82,877
Other Assets	-	-	-
Capital Assets, net of depreciation	90,122	107,895	(17,773)
Total Assets	<u>527,588</u>	<u>462,484</u>	<u>65,104</u>
Current and Other Liabilities	<u>188,888</u>	<u>114,521</u>	<u>74,367</u>
Total Liabilities	<u>188,888</u>	<u>114,521</u>	<u>74,367</u>
Net Position:			
Invested in Capital Assets	90,122	107,895	(17,773)
Restricted	48,958	45,086	3,872
Unrestricted	199,620	194,982	4,638
Total Net Position	<u>\$ 338,700</u>	<u>\$ 347,963</u>	<u>\$ (9,263)</u>

As of June 30, 2023, the Council "as a whole" had assets greater than its liabilities of \$338,700 whereas at June 30, 2022 net position was \$347,963. This is a decrease of \$9,263.

About 60% and 56% of the Council's total net position is unrestricted as of June 30, 2023 and 2022. Unrestricted net position is important because it provides 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 net position that has been invested in capital assets is presented net of any related outstanding debt incurred to acquire them. For 2023 and 2022, debt of \$-0- and \$-0- 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.

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(Continued)

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

	<u>2023</u>	<u>% of Total</u>	<u>2022</u>	<u>% of Total</u>
<u>Revenues</u>				
Program Revenues:				
Charges for Services	\$ 195,507	19.85%	\$ 145,153	15.39%
Operating Grants & Contributions	761,648	77.32%	779,260	82.61%
Capital Grants & Contributions	-	0.00%	-	0.00%
General Revenues				
Unrestricted Grants & Contributions	-	0.00%	-	0.00%
Other General Revenues	27,850	2.83%	18,933	2.01%
Total Revenues	<u>985,005</u>	<u>100.00%</u>	<u>943,346</u>	<u>100.00%</u>
Direct Program Expenses for the Health Welfare and Social Services Function:				
<u>Supportive Services:</u>				
Transportation for the Elderly	254,596	25.61%	235,767	22.66%
Medicaid Waiver	188,612	18.97%	218,846	21.03%
Other Supportive Services	75,820	7.63%	72,862	7.00%
Nutrition Services:				
Congregate Meals	49,311	4.96%	37,514	3.61%
Home-delivered Meals	139,564	14.04%	245,181	23.56%
Other Social Service Programs and Activities	29,072	2.92%	26,567	2.55%
Direct Administrative Expenses	257,293	25.88%	203,853	19.59%
Total Expenses	<u>994,268</u>	<u>100.00%</u>	<u>1,040,590</u>	<u>100.00%</u>
Increase (Decrease) in Net Position	<u>\$ (9,263)</u>		<u>\$ (97,244)</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.

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(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 a \$9,263 decrease in its net position for YE 2023 whereas the decrease in net position for YE 2022 was \$92,244. 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 2023.

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 transportation and medicaid services. The Council's main focus is to meet the needs of the elderly citizens of DeSoto 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 2023, total administration expenses were \$257,293 or 26% of total expenses. For 2022, total administrative expenses were \$203,853 or 20% 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.

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

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

Fund Balances

The Council presents a combined governmental fund balance of \$248,578 (as shown on the Fund Financial Statement's Balance Sheet) at the end of this year, which is an increase of \$8,510 from 2022. When you look at the fund individually, you will see that the General Fund increased by \$4,638 while the Special Revenue Funds had a \$3,872 increase in fund balance.

The Council complies with the provisions of Governmental Accounting Standards Board Statement 34, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement will cause the components of the Fund Balance to be presented differently when compared to prior years.

Revenues

The combined fund revenues increased by \$41,659 this year versus last year, as shown in the table below.

	<u>2023</u>	<u>2022</u>	<u>Amount</u>	<u>Percent</u>
Intergovernmental	\$ 761,648	\$ 779,260	\$ (17,612)	-2.26%
Public Support	27,850	18,933	8,917	47.10%
Charges for Services	195,507	145,153	50,354	34.69%
Other	-	-	-	28.14%
Total Revenues	<u>\$ 985,005</u>	<u>\$ 943,346</u>	<u>\$ 41,659</u>	<u>4.42%</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 \$761,648 (2023) and \$779,260 (2022) and represent about 78% and 81% of the total revenues of the Council in 2023 and 2022, respectfully. 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 2023 were \$27,850 (\$18,933 for 2022).

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(Continued)

Expenditures

Total expenditures decreased by \$115,441 this year, as shown in the table that follows.

	2023	2022	Increase/(Decrease)	
			Amount	Percent
Personnel	\$ 542,472	\$ 545,519	\$ (3,047)	-0.56%
Fringe	28,806	47,462	(18,656)	-39.31%
Travel	14,701	26,204	(11,503)	-43.90%
Operating Services	203,751	176,698	27,053	15.31%
Operating Supplies	54,294	46,372	7,922	17.08%
Other Costs	10,097	24,299	(14,202)	-58.45%
Meals	121,683	156,549	(34,866)	-22.27%
Capital Outlay	-	67,500	(67,500)	-100.00%
Utility Assistance	691	1,333	(642)	100.00%
Total	<u>\$ 976,495</u>	<u>\$ 1,091,936</u>	<u>\$ (115,441)</u>	<u>-10.57%</u>

AN ANALYSIS OF MAJOR REVENUE FUND BUDGETS

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 Capital Area Agency and GOEA.

A schedule of the original and amended budgets for the Major Special Revenue Funds can be found in the Supplementary Financial Information Required by GASB Statement 34 section of this report.

DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(Continued)

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Fixed Assets at June 30, 2023 consisted of the following:

Capital Assets, Net of Depreciation

	<u>2023</u>	<u>2022</u>	<u>Increase/ Decrease</u>
Buildings	\$ 30,805	\$ 33,450	\$ (2,645)
Building Improvements	-	-	-
Furniture & Equipment	4,954	6,582	(1,628)
Vehicles	<u>54,363</u>	<u>67,863</u>	<u>(13,500)</u>
		-	
	<u>\$ 90,122</u>	<u>\$ 107,895</u>	<u>\$ (17,773)</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council; therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for FYE 2024; there were no significant changes to the funding levels or terms of the grants or contracts. Accordingly, the initial budget has been set to provide the same programs and similar levels of service next year. GOEA has approved the Council's budget for next year. There are no plans to add or discontinue any significant programs for next year.



DESOTO COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2023

(Continued)

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Ms. Cheryl Lane Executive Director, at the Council's office located at 404 Polk Street, Mansfield, Louisiana, or by phone at (318) 872-3700.

DESOTO COUNCIL ON AGING, INC.

Government Wide Statement of Net Position

June 30, 2023

	<u>Governmental Activities</u>
Assets	
Cash	\$ 382,395
Grants and contracts receivable	52,702
Prepaid Expenses	2,369
Capital assets, net of accumulated depreciation	<u>90,122</u>
Total assets	<u>527,588</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	\$ 13,740
Accrued expenses	25,413
Unearned Revenue	<u>149,735</u>
Total liabilities	<u>188,888</u>
Deferred inflows of resources	<u>-</u>
Net position	
Invested in Capital Assets, net of debt	90,122
Restricted	48,958
Unrestricted	<u>199,620</u>
Total net position	<u>\$ 338,700</u>

The accompanying notes are an integral part of this statement.

DESOTO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expenses) Revenues and Increases (Decreases) in Net Position
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						Total Governmental Activities
Health, Welfare & Social Services:						
Supporting Services:						
Homemaker	\$ 65,027	\$ 29,648	\$ -	\$ 113,720	\$ -	\$ 19,045
Information and Assistance	9,101	1,477	-	14,173	-	3,595
Outreach	972	158	-	1,517	-	387
Legal Assistance	720	-	-	720	-	-
Transportation	254,596	69,521	-	344,619	-	20,502
Medicaid Waiver	188,612	36,562	195,507	-	-	(29,667)
Nutrition Services:						
Congregate Meals	49,311	17,657	-	50,738	-	(16,230)
Home Delivered Meals	139,564	42,171	-	149,510	-	(32,225)
Disease Prevention and Health Promotion	5,483	1,266	-	5,649	\$ -	(1,100)
National Family Caregiver Support	22,898	10,963	-	31,906	-	(1,955)
Utility Assistance	691	-	-	1,226	-	535
Administration	257,293	(209,423)	-	47,870	-	-
	<u>\$ 994,268</u>	<u>\$ -</u>	<u>\$ 195,507</u>	<u>\$ 761,648</u>	<u>\$ -</u>	<u>\$ (37,113)</u>
General Revenues:						
Miscellaneous						27,850
Total general revenues and special items						27,850
Increase (Decrease) in net position						(9,263)
Net position- beginning of year						347,963
Net position - end of the year						<u>\$ 338,700</u>

The accompanying notes are an integral part of this statement.

DESOTO COUNCIL ON AGING, INC.

Balance Sheet  
Governmental Funds  
June 30, 2023

	General Fund	Title IIIB	Title IIIC-1	Title IIIC-2	Non-Major Funds	Total
<b>Assets</b>						
Cash	\$ 382,395	\$ -	\$ -	\$ -	\$ -	\$ 382,395
Grants and contracts receivable	49,365	-	-	-	3,337	52,702
Prepaid expenses	2,369	-	-	-	-	2,369
Due from other funds	-	-	-	-	45,621	45,621
<b>Total Assets</b>	<b>\$ 434,129</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,958</b>	<b>\$ 483,087</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 13,740	\$ -	\$ -	\$ -	\$ -	\$ 13,740
Accrued Expenses	25,413	-	-	-	-	25,413
Unearned Revenue	149,735	-	-	-	-	149,735
Due to other funds	45,621	-	-	-	-	45,621
<b>Total Liabilities</b>	<b>234,509</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>234,509</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Prepaid expenses	2,369	-	-	-	-	2,369
Reserved - NSIP	-	-	-	-	48,423	48,423
Reserved - Utility Assistance	-	-	-	-	535	535
Unassigned	197,251	-	-	-	-	197,251
<b>Total Fund Balances</b>	<b>199,620</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,958</b>	<b>248,578</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 434,129</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,958</b>	<b>\$ 483,087</b>

Amounts reported for governmental activities in the statement of net assets are different because:  
Capital assets used in governmental activities are not financial resources and therefore are not reported  
in the funds.

90,122

Net Position of Governmental Activities

\$ 338,700

The accompanying notes are an integral part of this statement.

DESOTO COUNCIL ON AGING, INC.

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

	General	Supportive Services	C-1	C-2	Non-Major Funds	Total
<u>REVENUES</u>						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 226,232	\$ 113,094	\$ 37,671	\$ 83,195	\$ 70,173	\$ 530,365
Louisiana Department of Transportation and Development	166,561	-	-	-	-	166,561
Health & Hospitals	243,099					243,099
Public Support:						
Unrestricted	-	-	-	-	-	-
Restricted - C-2 Meals	-	-	-	-	-	-
Restricted - Utility Programs	-	-	-	-	1,226	1,226
Client Contributions	4,116	5,739	1,400	6,653	690	18,598
Miscellaneous	25,156	-	-	-	-	25,156
Total Revenues	<u>665,164</u>	<u>118,833</u>	<u>39,071</u>	<u>89,848</u>	<u>72,089</u>	<u>985,005</u>
<u>EXPENDITURES</u>						
Health, Welfare & Social Services						
Current:						
Salaries	303,309	149,869	26,189	36,234	26,871	542,472
Fringe	8,484	12,613	2,349	3,279	2,081	28,806
Travel	1,956	10,289	243	329	1,884	14,701
Operating services	148,315	38,474	4,626	9,384	2,952	203,751
Operating supplies	32,052	16,680	141	5,233	188	54,294
Other costs	2,777	720	1,000	800	4,800	10,097
Meals	-	-	16,190	90,914	14,579	121,683
Utility assistance	-	-	-	-	691	691
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>496,893</u>	<u>228,645</u>	<u>50,738</u>	<u>146,173</u>	<u>54,046</u>	<u>976,495</u>
Excess (deficiency) of revenues over expenditures	168,271	(109,812)	(11,667)	(56,325)	18,043	8,510
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	31,791	109,812	11,667	56,325	6,304	215,899
Operating transfers out	(195,424)	-	-	-	(20,475)	(215,899)
Excess (deficiency) of revenues and other sources over expenditures and other uses	4,638	-	-	-	3,872	8,510
<u>FUND BALANCES (DEFICIT)</u>						
Beginning of year,	194,982	-	-	-	45,086	240,068
End of year	<u>\$ 199,620</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,958</u>	<u>\$ 248,578</u>

The accompanying notes are an integral part of this statement.

DESOTO 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, 2023

Net Increase (Decrease) in fund balances total governmental funds.	\$ 8,510
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$17,773) exceeds capital outlay (\$-0-) in the current period.	<u>(17,773)</u>
Increase (Decrease) in net position of governmental activities.	<u>\$ (9,263)</u>

DESOTO COUNCIL ON AGING, INC.

Notes to the Financial Statements

June 30, 2023

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

The accounting and reporting policies of DeSoto Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted 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 and other conditions affecting the welfare of the aging people in DeSoto 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 DeSoto Parish include congregate and home-delivered meals, nutritional education, information and assistance, outreach, utility assistance, homemaker services, telephoning, personal 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 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

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

DeSoto Parish 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 June 25, 1969.

A board of directors, consisting of 17 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- Ten members shall be appointed by the DeSoto Parish Government to represent the elderly population in their respective districts.
- Two members shall be appointed by agencies that serve the elderly - one from the Social Security Administration and one from the Department of Social Services or Department of Health and Human Resources.
- Five at-large members from throughout DeSoto Parish shall be elected by the general membership at the Council's annual meeting.

Although the DeSoto Parish Government appoints a voting majority of the Council's board, the DeSoto Parish Government does not intend to impose its will to affect the operations of the Council.

Membership in the Council is open at all times, without restriction, to all residents of DeSoto 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 any 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 were a primary government.

**c. Basis of Presentation of the Basic Financial Statements**

The Council's basic financial statements consist of "government-wide" financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, 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 as either "governmental" or "business-type". The Council's functions and programs have all been categorized as "governmental" activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

**Government-Wide Financial Statements:**

The government-wide financial statements include the Statement of Net Position and the 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 position (financial position) resulting from the activities of the current fiscal 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 is reported in three parts - invested in capital 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 of the Council's functions and significant programs. Many functions and programs are supported by general government revenues such as intergovernmental revenues and unrestricted public 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 charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular *A-87, Cost Principles for 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 by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income, and miscellaneous 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 control of management that are either unusual in nature or in occurrence and are separately 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 by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

**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% of 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 it 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 or form 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 program of the General Fund. These funds are mostly 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 the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

**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 2023 the Council received this grant money into its General Fund and management transferred PCOA funds as follows: Title III B Supportive Services Fund - (\$43,142), C-2 - (\$25,555), AAA- (\$23,979), IIID - (\$1,483) and IIIE - (\$3,147) to cover those program's 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 can be 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 (\$48,846) of its Senior Center Funds to the IIIB Fund, (\$9,495) to C-1, and (\$5,817) to C-2. Supplemental Senior Funds were transferred as follows: Senior Center - (\$7,812), IIIB - (\$17,824), C-2 - (\$4,478) and IIIE - (\$1,463) to subsidize the costs of those funds.

**Transportation Program Services**

The Council provides various transportation services to the residents of DeSoto 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, along 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	420
Outreach	5
Homemaker	3,394
Legal	10
Transportation for persons age 60 or older	1,030

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 Services - (\$109,556), restricted, voluntary contributions from those persons who received supportive services (\$9,277), PCOA (\$43,142), Senior Center (\$48,846), and Supplemental Senior Center (\$17,824).

**Title III C-1 Fund**

The Title III C-1 Fund accounts for funds used to provide nutritional congregate meals to persons age 60 or older in strategically located centers throughout DeSoto Parish. During the year, the Council provided 3,259 meals to persons eligible to participate in this program. There were four main sources of revenues received this year that form the the basis of this fund: Special Programs for the Aging - Title III, Part C-1 - Nutrition Services grant funds (\$39,843) restricted, voluntary contributions from those persons who received congregate meals (\$1,401), Senior Center Funds (\$9,495), and Local Funds (\$2,172).

**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 24,005 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 five 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 funds (\$83,195); PCOA (\$25,555) restricted voluntary contributions from the public (\$6,653), including those persons actually receiving home-delivered meal services, Senior Center (\$5,817), Supplementary Senior Center (\$4,478) and NSIP - (20,475).

**Title III D Fund**

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the year the Council provided 92 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 via CAAA for Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services.

**Title III E Fund**

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council provided 952 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 Supportive Program.

**Utility Assistance Fund**

This fund is used to account for the administration of the utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on aging throughout the state to provide assistance to the elderly for the payment of utility bills. The Council provided no units of service under this program.

**Medicare Improvement for Patients and Providers Act (MIPPA) Fund**

The MIPPA Fund is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low Income Subsidy (LIS) and Medicare Savings Plan (MSP) programs. The goal is to provide outreach to individuals in DeSoto Parish, Louisiana with special emphasis on rural communities and to increase awareness. The Council received no MIPPA Funds for 2023.

**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 and 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 EFSP Funds in FY 2023.

**d. Measurement Focus and Basis of Accounting**

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

● **Government-Wide Financial Statements - Accrual Basis**

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

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

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable

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

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

**f. Cash**

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions.

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 the collectability of any receivable, management would write off the receivable as a bad debt at that time.

**h. Investments**

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council did not 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 expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

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

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that 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 purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

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

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

Office equipment - other than computers	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 not 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 reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements.

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

**m. Advances from Funding Agency**

Advances from funding agency represent unexpended balances of grants awarded to the 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. The Council owed \$-0- to the funding agency at June 30, 2023.

**n. Unearned Revenue**

The Council reports unearned revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Unearned revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be; and the revenue is recognized. Unearned Revenue at June 30, 2023 totaled \$149,735 and was composed of American Rescue Plan Funds (ARP) as follows:IIIB - \$43,287, C-1 - \$13,292, C-2 - \$53,270, AAA - \$18,155, IIID - \$5,255, IIID - \$10,317, and STPH funds of \$6,159.

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

In the government-wide Statement of Net Position, the net position amount is classified and is 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 placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component consists of all other net position that does not meet the definition of "restricted" or "invested in capital" assets.

When both restricted and unrestricted resources are available for use, it is the Council's 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 and 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 the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid 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.

**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 specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- **Assigned:** This classification includes amounts that are constrained by the Council's 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 using a formula based primarily on the relationship the direct cost of a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions.

**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 Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this accounting standard are how the 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 support 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 consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. Cash in banks totaled \$387,254 while the carrying amount of the Council's deposits was \$382,395. Deposits of \$234,796 were collateralized by FDIC insurance while deposits of \$152,458 were collateralized by securities pledged in the name of the Council.

**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 7/1/2022	Increase	Decrease	Balance 6/30/2023
Building	\$ 105,805	\$ -	\$ -	\$ 105,805
Building Improvements	46,710	-	-	46,710
Furniture and Equipment	81,596	-	-	81,596
Vehicles	242,144	-	-	242,144
Subtotal	<u>476,255</u>	<u>-</u>	<u>-</u>	<u>476,255</u>
Accumulated Depreciation:				
Building	72,355	2,645	-	75,000
Building Improvements	46,710	-	-	46,710
Furniture and Equipment	75,014	1,628	-	76,642
Vehicles	174,281	13,500	-	187,781
Subtotal	<u>368,360</u>	<u>17,773</u>	<u>-</u>	<u>386,133</u>
Net Assets	<u>\$ 107,895</u>	<u>\$ (17,773)</u>	<u>\$ -</u>	<u>\$ 90,122</u>

Depreciation was charged to governmental activities as follows:

Administration	\$ 11,279
IIIB	6,494
Total depreciation for governmental activities	<u>\$ 17,773</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 in compliance with the filing requirements of the Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed. As of June 30, the Council is not aware of any uncertain tax positions that could cause future tax liabilities. Returns for the years ended 2020, 2021, and 2022 are subject to review by the IRS.



**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**

At the end of this fiscal year, the Council's management has no knowledge of any pending litigations, lawsuits or claims against the Council. Furthermore, the 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 which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money and the collectability of any related receivables at year end may be impaired. In management's opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any 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	\$ -	\$ 45,621
Special Revenue	45,621	-
<b>Total</b>	<b>\$ 45,621</b>	<b>\$ 45,621</b>

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	IIID	IIIE	Total
	\$109,812	\$11,667	\$ 56,325	\$ 1,483	\$ 4,821	\$184,108
	109,812	11,667	56,325	1,483	-	184,108
<b>Transfer From</b>						
<b>Special Revenue Funds:</b>						
PCOA	\$ 43,142	\$ -	\$ 25,555	\$ 1,483	\$ 3,147	\$ 73,327
Senior Center	48,846	9,495	5,817	-	211	64,369
Suppl Senior Ctr	17,824	-	4,478	-	1,463	23,765
NSIP	-	-	20,475	-	-	20,475
Local	-	2,172	-	-	-	2,172
<b>Total Special Revenue</b>	<b>109,812</b>	<b>11,667</b>	<b>56,325</b>	<b>1,483</b>	<b>4,821</b>	<b>184,108</b>
<b>Other Transfers</b>						
PCOA - AAA	23,979	-	-	-	-	23,979
Supplemental Senior Center - Senior Center	7,812	-	-	-	-	7,812
Total Other	31,791	-	-	-	-	31,791
<b>Total All</b>	<b>\$141,603</b>	<b>\$11,667</b>	<b>\$ 56,325</b>	<b>\$ 1,483</b>	<b>\$ 4,821</b>	<b>\$215,899</b>

**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 any actions that will adversely affect the amount of funds the Council will receive in the fiscal 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 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 24, 2024, which is the date the financial statements were available to be issued, and determined no additional disclosures are necessary.

DESOTO COUNCIL ON AGING, INC.  
Budgetary Comparison Schedule - General Fund  
For the Year Ended June 30, 2023

The Council has no legal obligation to budget this fund.

DESOTO COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III B

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 113,094	\$ 113,094	\$ 113,094	\$ -
Public Support	8,000	7,688	5,739	(1,949)
Total Revenues	<u>121,094</u>	<u>120,782</u>	<u>118,833</u>	<u>(1,949)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	162,381	147,006	149,869	(2,863)
Fringe	16,043	14,525	12,613	1,912
Travel	2,800	11,240	10,289	951
Operating Services	41,615	40,052	38,474	1,578
Operating Supplies	17,874	15,790	16,680	(890)
Other Costs	30,426	30,426	720	29,706
Capital Outlay	-	-	-	-
Meals	-	-	-	-
Total Expenditures	<u>271,139</u>	<u>259,039</u>	<u>228,645</u>	<u>30,394</u>
Excess (deficiency) of revenues over expenditures	<u>(150,045)</u>	<u>(138,257)</u>	<u>(109,812)</u>	<u>28,445</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	107,629	138,257	109,812	(28,445)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>107,629</u>	<u>138,257</u>	<u>109,812</u>	<u>(28,445)</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>

DESOTO COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - C-1

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 37,671	\$ 37,671	\$ 37,671	\$ -
Public Support	2,100	2,100	1,400	(700)
Total Revenues	39,771	39,771	39,071	(700)
<b>EXPENDITURES</b>				
Current:				
Personnel	21,954	23,783	26,189	(2,406)
Fringe	2,169	2,350	2,349	1
Travel	250	275	243	32
Operating Services	2,796	4,240	4,626	(386)
Operating Supplies	140	142	141	1
Other Costs	1,050	1,050	1,000	50
Capital Outlay	-	-	-	-
Meals	26,178	31,178	16,190	14,988
Total Expenditures	54,537	63,018	50,738	12,280
Excess (deficiency) of revenues over expenditures	(14,766)	(23,247)	(11,667)	11,580
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,766	23,247	11,667	(11,580)
Transfers out	-	-	-	-
Total other financing sources and uses	14,766	23,247	11,667	(11,580)
Net increase (decrease) in fund balances	-	-	-	-
<b>FUND BALANCES</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

DESOTO COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - C-2

For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 83,195	\$ 83,195	\$ 83,195	\$ -
Public Support	4,200	3,982	6,653	2,671
Total Revenues	<u>87,395</u>	<u>87,177</u>	<u>89,848</u>	<u>2,671</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	44,963	38,178	36,234	1,944
Fringe	4,442	3,772	3,279	493
Travel	250	275	329	(54)
Operating Services	8,745	9,493	9,384	109
Operating Supplies	7,058	4,970	5,233	(263)
Other Costs	1,050	1,050	800	250
Capital Outlay	-	-	-	-
Meals	144,899	132,899	90,914	41,985
Total Expenditures	<u>211,407</u>	<u>190,637</u>	<u>146,173</u>	<u>44,464</u>
Excess (deficiency) of revenues over expenditures	<u>(124,012)</u>	<u>(103,460)</u>	<u>(56,325)</u>	<u>47,135</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	124,012	103,460	56,325	(47,135)
Transfers out	-	-	-	-
Total other financing sources and uses	<u>124,012</u>	<u>103,460</u>	<u>56,325</u>	<u>(47,135)</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>

DESOTO 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, 2023

	ARP C-1	ARP C-2	STPH	NSIP
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 6,391	\$ 7,228	\$ 1,491	\$ 23,812
Public Support:		-		
Restricted - Utility Programs	-	-	-	-
Client Contributions	-			-
	6,391	7,228	1,491	23,812
Total Revenues				
<u>EXPENDITURES</u>				
Salaries	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	531	-
Operating Supplies	-	-	-	-
Other Costs	-	-	-	-
Meals	6,391	7,228	960	-
Utility Assistance	-	-	-	-
Capital Outlay	-	-	-	-
	6,391	7,228	1,491	-
Total Expenditures				
Excess (deficiency) of revenues over expenditures	-	-	-	23,812
<u>OTHER FINANCING SERVICES (USE)</u>				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	(20,475)
	-	-	-	-
Excess (deficiency) of revenues expenditures and other uses	-	-	-	3,337
<u>FUND BALANCES</u>				
Beginning of year,	-	-	-	45,086
Prior Period Adjustment	-	-	-	-
	-	-	-	-
Beginning of year	-	-	-	-
	-	-	-	-
End of Year	\$ -	\$ -	\$ -	\$ 48,423



<u>Title IIID</u>	<u>Title IIIE</u>	<u>Utility Assistance</u>	<u>Totals</u>
\$ 4,166	\$ 27,085	\$ -	\$ 70,173
-	-	1,226	1,226
-	690	-	690
<u>4,166</u>	<u>27,775</u>	<u>1,226</u>	<u>72,089</u>
737	26,134	-	26,871
58	2,023	-	2,081
1	1,883	-	1,884
46	2,375	-	2,952
7	181	-	188
4,800	-	-	4,800
-	-	-	14,579
-	-	691	691
-	-	-	-
<u>5,649</u>	<u>32,596</u>	<u>691</u>	<u>54,046</u>
(1,483)	(4,821)	535	18,043
1,483	4,821	-	6,304
-	-	-	(20,475)
-	-	-	-
-	-	535	3,872
-	-	-	45,086
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 535</u>	<u>\$ 48,958</u>

DESOTO COUNCIL ON AGING, INC.

Statement of Fixed Assets  
and Changes in Fixed Assets

For the Year Ended June 30, 2023

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
General Fixed Assets, at cost:				
Building	\$ 105,805	\$ -	\$ -	\$ 105,805
Building Improvements	46,710			46,710
Furniture and equipment	81,596	-	-	81,596
Vehicles	242,144	-	-	242,144
	<u>476,255</u>	<u>-</u>	<u>-</u>	<u>476,255</u>
Total	<u>\$ 476,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,255</u>
Investment in General Fixed Assets:				
AAA	\$ 17,810	\$ -	\$ -	\$ 17,810
Title IIIC-1	1,635	-	-	1,635
Title III C-2	14,267	-	-	14,267
Senior Center	1,637	-	-	1,637
Title III B Supportive Services	10,370	-	-	10,370
Title III D & III E	2,967	-	-	2,967
Donations	39,590	-	-	39,590
Cares Act	32,500	-	-	32,500
Section 18	92,421	-	-	92,421
Local	263,058	-	-	263,058
	<u>476,255</u>	<u>-</u>	<u>-</u>	<u>476,255</u>
Total	<u>\$ 476,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 476,255</u>

DESOTO COUNCIL ON AGING, INC.

Schedule of Compensation, Reimbursements, Benefits, and Other Payments  
to Agency Head

For the Year Ended June 30, 2023

Agency Head: Cheryl Lane, Executive Director

Salary	\$ 61,804
Payroll Taxes	\$ 4,328
Insurance	\$ 8,035
Travel	\$ -



# 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  
DeSoto Council on Aging, Inc.  
Mansfield, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of DeSoto Council on Aging, Inc., as of and for the year ended June 30, 2023, and related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated February 23, 2024.

### Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered DeSoto Council on Aging, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected 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 over financial reports 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 material weaknesses. However, material weaknesses may exist that have not been identified.

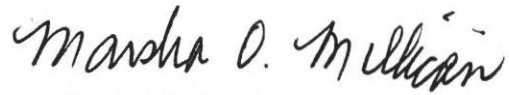
### Compliance and Other Matters

As part of obtaining reasonable assurance about whether DeSoto Council on Aging, Inc.'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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is reported in the accompanying Schedule of Findings as Finding 2023#1.

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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. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant  
February 23, 2024

DESOTO COUNCIL ON AGING, INC.

Schedule of Findings

For the Year Ended June 30, 2023

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. One instance of noncompliance material to the financial statements was disclosed during the audit.

FINDING/NONCOMPLIANCE

Finding 2023#1:

Criteria: State law requires the Council to file financial statements with the Louisiana Legislative Auditor (LLA) within six months after year end.

Condition: The Council did not file financial statements within the time frame required by state law.

Cause: Due to a medical emergency of the auditor, the audit was not completed within the time frame required by state law.

Effect: The Council is not in compliance with state law.

Recommendation: I recommend the Council comply with state law.

Management's Response and Corrective Action Plan: We agree with the finding, but believe the occurrence was beyond our control. Future filings will be made on a timely basis.

DESOTO COUNCIL ON AGING, INC.

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2023

There were no findings for the year ended June 30, 2022.



# Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

The Board of Directors  
DeSoto Council on Aging, Inc.  
Mansfield, 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, 2022 through June 30, 2023. Management of DeSoto Council on Aging, Inc. (the Council) is responsible for those C/C areas identified in the SAUPS.

The Board of Directors of DeSoto Council on Aging, Inc. has agreed to and acknowledged that the procedures 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, 2022 through June 30, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### 1) Written Policies and Procedures

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
  - ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - iii. **Disbursements**, including processing, reviewing, and approving.



- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and expense reimbursements**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the 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.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from 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.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*Procedure Results - The entity has written policies and procedures that adequately address each of the categories above except (xi) Information Technology and (xii) Prevention of Sexual Harassment. Although the entity has policy regarding these categories, they do not specifically address all issues. The issues are, however addressed in practice.*

*Management's Response - We will amend policies and procedures to be more specific in these areas.*

## **2) Board or Finance Committee**

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- A. I obtained and inspected the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. I observed that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - ii. For those entities reporting on the governmental accounting model, I observed 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.*
  - iii. For governmental entities, I obtained the prior year audit report and observed the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
  - iv. I observed whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

*Procedure Results - No exceptions were noted.*

## **3) Bank Reconciliations**

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- A. I obtained a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. I asked management to identify the entity's main operating account. I selected the entity's main operating account and randomly selected 4 additional accounts (or all accounts if less than 5). I randomly selected one month from the fiscal period, obtained and inspected the corresponding bank statement and reconciliation for each selected accounts, and observed that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

- ii. Bank reconciliations include written evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
- iii. Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

***Procedure Results - No exceptions were noted.***

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

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- A. I obtained 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. I selected 1 deposit site (there is only 1).
- B. For each deposit site selected, I obtained a listing of collection locations and management's representation that the listing is complete. I selected one collection location for each deposit site (i.e., 1 collection locations for 1 deposit site), obtained and inspected 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 observed that job duties are properly segregated at each collection location such that:
  - i. Employees responsible for cash collections do not share cash drawers/registers;
  - ii. Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
  - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
  - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. I randomly selected two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank*

statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. I obtained supporting documentation for each of the 10 deposits and:

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

*Procedure Results - No exceptions were noted.*

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

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- A. I obtained a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. I selected 1 location (there is only 1).
- B. For each location selected under procedure #5A above, I obtained a listing of those employees involved with non-payroll purchasing and payment functions. I obtained written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase;
  - ii. At least two employees are involved in processing and approving payments to vendors;
  - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
  - iv. Either the employees/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
  - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT),

wire transfer, or some other electronic means.

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

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

*Procedure Results - No exceptions were noted.*

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

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- A. I obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. I obtained management's representation that the listing is complete.
- B. Using the listing prepared by management, I randomly selected 5 cards (or all cards if less than 5) that were used during the fiscal period. I randomly selected one monthly statement or combined statement for each card (for a debit card, randomly select on monthly bank statement). I obtained supporting documentation, and:
  - i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported]; and
  - ii Observe that finance charges and late fees were not assessed on the selected statements.

- C. Using the monthly statements or combined statements selected under procedure #7B above, excluding fuel cards, I randomly select 10 transactions (or all transactions if less than 10) from each statement and obtained supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, I observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*Procedure Results - No exceptions were noted.*

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

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- A. I obtained from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov));
  - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
  - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii) and
  - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Procedure Results - No exceptions were noted.*

#### **8) Contracts**

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- A. I obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* I obtained management's representation that the listing is complete. I selected 1 contract (there is only 1) from the listing, excluding the practitioner's contract, and:

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
- ii. Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment was approval documented).
- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

*Procedure Results - No exceptions were noted.*

## **9) Payroll and Personnel**

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- A. I obtained a list of employees and officials employed during the fiscal period and management's representation that the listing is complete. I randomly select 5 employees or officials, obtained related salaries and personnel files, and agreed paid salaries to authorized salaries/ pay rates in the personnel files.
- B. I randomly selected one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, I obtained attendance records and leave documentation for the pay period, and
  - i. Observed that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
  - ii. Observed whether supervisors approved the attendance and leave of the selected employees or officials;
  - iii. Observed that any leave accrued or taken during the pay period is reflected in the entity's accumulative leave records; and
  - iv. Observed that the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
- C. I obtained a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments.

Agree the hours to the employees' or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

- D. I obtained 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.

*Procedure Results - No exceptions were noted.*

## **10) Ethics**

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

*Procedure Results - No exceptions were noted.*

## **11) Debt Service**

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- A. I obtained a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. I obtained 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).

*The entity has no debt.*



## 12) Fraud Notice

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- A. I obtained 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 as required by R.S. 24:523.
- B. I observed the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*Procedure Results - I noted that Fraud Notice is not posted on the entity's website.*

*Management's Response -We will post Fraud Notice on our website.*

## 13) Information Technology Disaster Recovery/Business Continuity

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- A. Perform the following procedures, **verbally discuss the results with management, and report, "I performed the procedure and discussed the results with management."**
- i. I obtained and inspected the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and ( c ) was encrypted.
  - ii. I obtained and inspected the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - iii. I obtained a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

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

#### **14) Prevention of Sexual Harassment**

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

***Procedure Results - No exceptions were noted.***

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.

*Maisha O. Mullin*

Certified Public Accountant  
February 23, 2024