

**ST. HELENA COUNCIL ON THE AGING, INC.
GREENSBURG, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

As of and for the Year Ended June 30, 2021



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

A Professional Accounting Corporation



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Greensburg, Louisiana
June 30, 2021

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CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants

Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOLA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

To the Board of Directors
St. Helena Council on the Aging, Inc.
Greensburg, LA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Council on Aging, Greensburg, Louisiana, (the Council) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control

relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 17) and budgetary comparison information (pages 55 through 57) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that

collectively comprise the Council's basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds and the Comparative Schedule of Capital Assets and Changes in Capital Assets are presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA). In addition, Louisiana Revised Statute 24:513 (A)(3), as amended, requires the Council to present a supplementary schedule of Compensation, Benefits, and Other Payments Made to the Council's Executive Director for the fiscal year. These schedules are not a required part of the basic financial statements.

The information in these three schedules is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Respectfully Submitted,

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
February 14, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

St. Helena Council on the Aging, Inc.

June 30, 2021

The following discussion and analysis of the St. Helena Council on the Aging, Inc.'s (the Council) financial performance provides an overview of the Council's financial performance and activities for the year ended June 30, 2021. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

Financial Highlights

- The Council showed an increase in overall net position of \$338,196.
- Capital assets, net of depreciation, increased by \$287,462.
- The Council's fund revenues increased by \$140,061, or about 28%.
- Fund expenditures increased by \$101,839, or about 20%.
- The unassigned fund balance for the Council's General Fund increased by \$115,599 to \$118,490.
- No deficit fund balances existed at year-end.
- The Council had \$69,705 of long-term debt at the end of the year relating to the purchase of a building.
- The Council had \$52,171 in short-term debt, of which \$47,750 was received from the SBA through the Paycheck Protection Program.
- Administrative expenses increased this year by \$17,228, which is about a 11.5% increase from last year.

How To Use this Annual Report

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

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

Government-wide financial statements are comprised of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B). These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

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

On page 65 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor identified deficiencies in internal control over financial reporting that he considered to be material weaknesses and a significant deficiency. In addition, the auditor stated that his tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 4. An important point to consider is whether or not 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) reports information about the Council as a whole and about its activities in a way that helps when

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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. All current year revenues and expenses are taken into account regardless of when cash is received or paid. Although the government-wide financial statements found on pages 19 and 20 report the Council's net position and changes in them, users of these financial statements must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position (Exhibit A) 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. The Council has restricted net position of \$6,499, which must be used for specific purposes, whereas \$139,045 of its net position is unrestricted, meaning that it can be used for any program at management's discretion.

The Statement of Activities (Exhibit B) provides information that shows how the Council's net position changed as a result of this year's activities. This year the Council's net position increased by \$338,196. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the 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 various programs that include supportive social services, nonelderly transportation, nutritional services, and family caregiver support. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the service are not required to pay for what they receive. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund Financial Statements

The fund financial statements (Exhibits C and D) provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, the reader will see a General Fund and three Special Revenue Funds that have been determined to be *Major Funds*, and a column for the total of all remaining Special Revenue Funds, which are considered to be *Nonmajor 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 to determine whether there are more or fewer financial resources that can be spent in the near future for Council 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 balances for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

Notes to the Financial Statements

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

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Fund that has an adopted annual budget. The schedules compare the original budget amounts and, if applicable, the final budget amounts to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is believed to be important to present to the Council's financial statement users. Management did not subjectively elevate any nonmajor fund to major fund status for purposes of financial statement presentation this year.

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

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present two additional schedules as supplementary 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.

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

**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 2021 and 2020:

	2021	2020	Increase/(Decrease)	
			Amount	Percent
Current and Other Assets:				
Current Assets	\$ 195,374	\$ 103,455	\$ 91,919	88.85%
Other Assets	13,654	3,406	10,248	300.88%
Capital Assets, net of depreciation	289,863	2,401	287,462	11972.59%
Total Assets	498,891	109,262	389,629	356.60%
Current Liabilities	67,905	86,177	(18,272)	-21.20%
Long-term Debt	69,705	0	69,705	0.00%
Total Liabilities	137,610	86,177	51,433	59.68%
Net Position				
Net Investment in Capital Assets	215,737	2,401	213,336	8885.30%
Restricted	6,499	7,183	(684)	-9.52%
Unrestricted	139,045	13,501	125,544	929.89%
Total Net Position	\$ 361,281	\$ 23,085	\$ 338,196	1465.00%

As of June 30, 2021, and 2020, the Council *as a whole* had assets greater than its liabilities of \$361,281 and \$23,085, respectively. About 39% and 58% of the Council's total net positions are unrestricted as of June 30, 2021 and 2020, respectively. Unrestricted net position is important because it represents resources that management has available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

The Council's restricted net position represents about 2% and 31% of the Council's total net position as of June 30, 2021 and 2020, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net investment in the capital assets portion of net position is presented net of any related outstanding debt to acquire them. As of June 30, 2021 the Council has \$74,126 of

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

debt related to capital assets. Net investment in capital assets represents about 60% of total net position at the end of 2021 compared to 10% at the end of 2020.

The following table illustrates the revenues and expenses that produced the change in net position for fiscal years 2021 and 2020.

Condensed Statement of Activities

<u>Revenues</u>	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>Increase (Decrease)</u>
Program Revenues:					
Charges for services	\$ 9,218	1.09%	\$ 13,514	2.68%	\$ (4,296)
Operating Grants and Contributions	325,122	38.58%	189,616	37.54%	135,506
Capital Grants and Contributions	200,000	23.73%	0	0.00%	200,000
General Revenues:					
Property Taxes	168,067	19.94%	159,738	31.62%	8,329
Unrestricted Grants and Contributions	136,018	16.14%	136,540	27.03%	(522)
Interest Income	373	0.04%	66	0.01%	307
Proceeds from Insurance	2,140	0.25%	3,567	0.71%	(1,427)
Miscellaneous Income	2,580	0.31%	2,073	0.41%	507
Loss on disposal of vehicle	(719)	-0.09%	0	0.00%	(719)
Total Revenues	842,799	100.00%	505,114	100.00%	337,685
Direct Program Expenses of the Health, Welfare, and Social Services Function:					
Supportive Services:					
Transportation of the elderly	155,555	30.83%	167,919	32.79%	(12,364)
Other supportive services	39,779	7.88%	33,606	6.56%	6,173
Transportation Services-non-elderly	23,244	4.61%	29,633	5.79%	(6,389)
Nutrition Services:					
Congregate Meals	0	0.00%	48,282	9.43%	(48,282)
Home-delivered Meals	117,458	23.28%	80,270	15.67%	37,188
Other Health, Welfare & Social Services	684	0.14%	785	0.15%	(101)
Interest Expense	1,569	0.31%	2,534	0.49%	(965)
Direct Administrative Expenses	166,314	32.96%	149,086	29.11%	17,228
Total Expenses	504,603	100.00%	512,115	100.00%	(7,512)
Increase (Decrease) in Net Position	338,196		(7,001)		345,197
Net position, beginning of year	23,085		30,086		(7,001)
Net position, end of year	\$ 361,281		\$ 23,085		\$ 338,196

For 2021, the Council's total revenues increased \$337,685 or about 67% from 2020. Total expenses for 2021 decreased by \$7,512 or about 1.5% from 2020.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the Council gets most of its revenues from **operating grants & contributions**, which are specifically related to a program and must be used in the programs to which they relate. This category of revenue got a boost this year from Cares Act funds that the Council received as a result of Covid-19. The second largest revenue category this year was **capital grants and contributions**. The Council does not usually receive money in this category but this year it received \$200,000. This contribution was a noncash donation given to the Council by the seller of a building that the Council bought. As a result, the Council was able to buy the building for a very reasonable price. **Property tax** revenue was the third largest source of revenue and has been a stabilizing source for many years. **Unrestricted grants and contributions** make up the fourth largest percentage of revenues and this revenue is available to management to use at its discretion. **Charges for services** arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The 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 **administration** function includes all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

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

Another area of interest on the Statement of Activities relates to the **Total Governmental Activities** column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. On occasion, a program might *break even* or even make a slight *profit*. However, this year the **Other Activities** function shows a large *profit* because the Council received a capital contribution from the person who sold a building to the Council. The Council's ability to support all governmental activities relies heavily on general revenues. As a result, management prepares the annual budget based on this expectation, which

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

Another indication of how money is used efficiently or inefficiently can be analyzed by comparing the amount of administration costs from year-to-year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2021, total administration expenses were \$166,314 or about 33% of total expenses, whereas these same expenses were \$149,086 or 29% of total expenses in 2020. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs. Management would like to point out that administrative expenses are higher than expected and desired because the effects of the virus pandemic caused management to change how it had to operate. For example, some employees who were usually providing direct services had to be relegated to doing administrative work in order to keep them employed. Accordingly, their time had to be coded to the administrative function and not directly to a specific program service.

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

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$127,938 (see Exhibit C), an increase of \$113,356 when compared to last year. The unassigned fund balance component of the General Fund was \$118,490 whereas last year it was \$2,891. The remainder of the fund balance consists of \$9,448 of restricted and nonspendable resources. None of the special revenue funds had a fund balance at year-end.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Revenues

The combined fund revenues increased \$140,061 this year versus last year, as shown in the table below.

	% of 2021		% of 2020		Increase/(Decrease)	
	2021	Total	2020	Total	Amount	Percent
Intergovernmental	\$ 459,641	71.03%	\$ 317,515	62.62%	142,126	44.76%
Property Taxes	173,790	26.86%	165,231	32.59%	8,559	5.18%
Program Service Fees	9,218	1.42%	13,514	2.67%	(4,296)	-31.79%
Public Support	1,499	0.23%	8,641	1.70%	(7,142)	-82.65%
Interest Income	373	0.06%	66	0.01%	307	465.15%
Miscellaneous Income	2,580	0.40%	2,073	0.41%	507	24.46%
Total Revenues	\$ 647,101	100.00%	\$ 507,040	100.00%	\$ 140,061	27.62%

The **intergovernmental revenues** are comprised of federal and state grants. These grants amounted to approximately 71% and 63% of the Council's total revenues in 2021 and 2020, respectively. Most of these grants are restricted, which means the money can only be used in certain programs. The amount of annual funding from the grants the Council receives is usually constant from year-to-year. However, in any given year some grant amounts may change based upon the level of service provided by the Council and, on occasion, the state legislature appropriates extra funds for council on aging entities around the state. For 2021 the Council received extra funding from the CARES Act in the amount of \$83,620, which accounts for a large portion of the increase in intergovernmental revenues.

The Council received **property tax revenue** which accounted for approximately 27% and 33% of the Council's total revenues in 2021 and 2020, respectively. The Council has no control over how much property tax revenue it receives each year because the amount depends on the assessed value of property subject to tax within St. Helena Parish. Without the property tax revenue, the Council could not provide the current level of services to its elderly clients.

Program service fees are mainly composed of fees charged by the Council to transport people under age 60. The fees for this service decreased by \$4,296 or 32% this year because the demand for this service decreased.

The Council also receives **public support** in the form of restricted and unrestricted donations from its clients and the general public. Public support helps the Council to maintain and expand services. Public support revenues represented less than 1% for fiscal

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

year 2021 and 1.7% of the Council's total revenues for fiscal year 2020. Public support comes from donations from the general public and client contributions. Because this source of income is voluntarily given, the Council cannot predict the amount it will receive each year with certainty. Historically, at least 90% of the total public support is restricted. This year the Council received \$1,394 of restricted public support for its home-delivered meals program.

Miscellaneous revenues in 2021 include \$1,909 of dividend income from LWCC.

The other revenue sources are insignificant and require no explanation.

Expenditures

Total expenditures increased overall by \$101,839 this year, as shown in the table below.

	% of 2021		% of 2020		Increase/(Decrease)	
	2021	Total	2020	Total	Amount	Percent
Personnel	\$ 246,249	40.31%	\$ 239,767	47.10%	\$ 6,482	2.70%
Fringe	22,864	3.74%	22,619	4.44%	245	1.08%
Travel	440	0.07%	1,665	0.33%	(1,225)	-73.57%
Operating Services	94,331	15.44%	114,517	22.50%	(20,186)	-17.63%
Operating Supplies	46,230	7.57%	44,172	8.68%	2,058	4.66%
Other Costs	13,548	2.22%	13,555	2.66%	(7)	-0.05%
Meals	69,204	11.33%	55,569	10.92%	13,635	24.54%
Full Service	4,102	0.67%	4,289	0.84%	(187)	-4.36%
Capital Outlay	91,251	14.94%	0	0.00%	91,251	0.00%
Intergovernmental	20,615	3.37%	10,359	2.03%	10,256	99.01%
Debt Service	2,051	0.34%	2,534	0.50%	(483)	-19.06%
	<u>\$ 610,885</u>	100.00%	<u>\$ 509,046</u>	100.00%	<u>\$ 101,839</u>	<u>20.01%</u>

Personnel expenditures increased about 3% when compared to last year. Each year changes in personnel costs will arise primarily because there are fluctuations in hours worked, new hires, and employee attrition. The Council typically employs about 16 people at any given time throughout the year. Most employees received an increase in pay equal to between 3% and 6% during the year.

Fringe expenditures increased \$245 primarily because FICA taxes increased. FICA taxes increased because personnel costs also increased.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Travel expenditures decreased by \$1,225 from last year for various reasons, none of which was individually significant.

Operating service expenditures decreased \$20,186 mainly due to a decrease in vehicle maintenance (\$17,909) and telephone (\$6,285).

Operating supplies expenditures increased by \$2,058 when compared to last year. The main reason for this increase was because the Council needed more facility and office supplies (\$11,181), which was offset by a \$9,544 decrease in fuel costs.

Other costs decreased \$7 for various reasons which are not significant to discuss.

Meals expenditures increased \$13,635 because more meals were served. This year the Council served 37,780 home-delivered meals, whereas last year the Council served 31,425. This increase (6,355) was due to clients being unable to come to the congregate meal site due to COVID-19, so they had to have meals delivered to their homes.

Full-service expenditures decreased by \$187 this year primarily because the Council did not provide any homemaker services this year.

Capital outlay expenditures increased by \$91,251 because the Council acquired a new building (\$77,376), a new outdoor covered area for van cleaning (\$3,875), and oversized adult Lego blocks to be used to build separate office areas in the new building (\$10,000).

Intergovernmental expenditures increased by \$10,256 mainly due to the Council having to pay \$14,892 as *matching funds* for two new vehicles that were purchased by the St. Helena Parish Police Jury for use by the Council.

Debt Service expenditures decreased by \$483 because the Council expended less money for principal and interest payments on borrowed funds.

AN ANALYSIS OF THE GENERAL FUND BUDGET

During the fiscal year the Council did not amend its budget. However, there are occasions when budget amendments are necessary, such as, to account for unanticipated or significant changes (particularly unfavorable) in revenues and expenditures and to prevent compliance violations under the Council's grants from GOEA and Capital Area Agency on Aging.

The budget for the year forecasted an operating surplus of \$151,376 whereas the actual

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

surplus was \$113,356 resulting in an unfavorable variance of \$38,020. In many cases, favorable and unfavorable variances on the various expenditure line items of the General Fund are a result of what has occurred within the operations of the various special revenue funds. The primary reasons for this net unfavorable variance can be summed up as follows:

- Actual capital outlay expenditures were over budget by \$91,251 because it was unknown at the time that the budget was prepared that the Council would have the opportunity to purchase the building during the current year.
- Actual intergovernmental expenditures were over budget by \$14,742 because the Council did not expect to receive the new vehicles during this year.
- Proceeds from long-term debt of \$75,000 were not accounted for within the budget because it was not known that the Council would be obtaining a loan to purchase a building at the time the budget was prepared.
- Actual transfers out to other programs were over budget by \$4,450.

The remaining variances within the General Fund are within the expectations of management, or are insignificant, and require no further explanation.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$289,863 in total capital assets, net of accumulated depreciation. This amount is a net increase from last year of \$287,462.

Capital Assets, Net of Depreciation			Increase
	June 30, 2021	June 30, 2020	(Decrease)
Vehicles	\$ 0	\$ 2,401	\$ (2,401)
Equipment	12,487	0	12,487
Building	248,376	0	248,376
Land	29,000	0	29,000
	<u>\$ 289,863</u>	<u>\$ 2,401</u>	<u>\$ 287,462</u>

The Council did not acquire any vehicles this year, but it did dispose of one vehicle. At year-end the Council had three vans titled in its name, which are included in capital assets. One of these vans is used to deliver meals to homebound persons. One of the vehicles is used to provide transportation and the other is used to deliver material aid supplies. All of the vans were operational at year-end. St. Helena Parish Police Jury (PJ) also allows the Council to have full access to eight of its vans to provide public transportation to the residents of the parish.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

This year the Council bought a building that it plans to renovate and use as its primary headquarters and a center at which the elderly can visit to receive program services. The building was not put into use this year but management plans to use it in the next fiscal year.

The Council also bought some items of equipment (\$13,875) that have been discussed in another section of this MD&A.

The increase/decrease column in the chart above considers the cost of the capital asset purchases, minus dispositions of capital assets and related depreciation of the capital assets. Depreciation of vehicles was \$1,682 and \$1,388 for office equipment.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

For FY 2022, the management has initially budgeted \$616,892 of revenues and \$500,156 of expenditures creating a budgeted surplus of \$116,736. In setting its budget for FY 2022, it was important to management that at least the same level of service be delivered to clients and the public as were provided in FY 2021.

The Council receives most of its funding from property taxes and federal and state grants. These main revenue sources provide steady income that the Council can rely on from year-to-year. For FY 2022 the Council expects its property tax revenue to approximate \$176,000, which is slightly more than FY 2021's revenue. Nothing has come to management's attention to indicate an adverse decline in property tax revenue for next year. In addition, all the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2022.

The budget that was submitted to Capital Area Agency on Aging (CAAA) for the programs that CAAA will fund for FY 2022 has been approved by CAAA.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Jim Robb, Executive Director at 53 South Main Street, Greensburg, Louisiana 70441 or by phone at (225) 222-6070. Once the Council moves into the new building the contact address will be 183 South Main Street, Greensburg, LA 70441.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
 St. Helena Council on the Aging, Inc.
 Greensburg, Louisiana
 June 30, 2021

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 138,148
Property taxes receivable	587
Government grants and contracts receivable	49,738
Prepaid insurance	2,949
Prepaid vehicle lease	3,952
Total current assets	195,374
Other Asset - prepaid expense for long-term vehicle use	13,654
Capital Assets:	
Land	29,000
Building	248,376
Other capital assets, net of accumulated depreciation	12,487
Total capital assets	289,863
Total Assets	498,891
LIABILITIES	
Current Liabilities:	
Accounts payable	8,637
Accrued and withheld payroll taxes	7,097
SBA - Paycheck Protection Program Loan	47,750
Current maturities of long-term debt to First Guaranty Bank	4,421
Total current liabilities	67,905
Long-Term Debt:	
Mortgage note payable to First Guaranty Bank, net of current portion	69,705
Total Liabilities	137,610
NET POSITION	
Net investment in capital assets	215,737
Restricted for utility assistance	2,540
Restricted for material aid	3,959
Unrestricted	139,045
Total Net Position	\$ 361,281

The accompanying notes to the basic financial statements are an integral part of this statement.

STATEMENT OF ACTIVITIES

EXHIBIT B

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Increase (Decrease) in Net Position	
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation of the Elderly	\$ 155,555	\$ 97,490	\$ 0	\$ 169,724	\$ 0	\$ (83,321)
Information and Assistance	16,397	10,600	0	4,103	0	(22,894)
Material Aid	8,932	5,774	0	0	0	(14,706)
Telephoning	10,348	6,689	0	5,883	0	(11,154)
Medic Alert Devices	4,102	0	0	2,670	0	(1,432)
Transportation Services - nonelderly:						
General Public	23,244	14,567	9,218	22,631	0	(5,962)
Nutrition Services:						
Home Delivered Meals	117,458	31,195	0	119,981	0	(28,672)
Family Caregiver Support	0	0	0	130	0	130
Other Activities	684	0	0	0	200,000	199,316
Interest & Penalties	1,569	0	0	0	0	(1,569)
Administration	166,314	(166,314)	0	0	0	0
Total governmental activities	\$ 504,603	\$ 0	\$ 9,218	\$ 325,122	\$ 200,000	\$ 29,737
General Revenues:						
Property taxes, net of \$5,723 withheld by the sheriff for pensions						168,067
Grants and contributions not restricted to specific programs						136,018
Interest income						373
Proceeds from insurance						2,140
Miscellaneous income						2,580
Loss on disposal of vehicle						(719)
Total General Revenues						308,459
Increase (Decrease) in net position						338,196
Net Position - beginning of the year						23,085
Net Position - end of the year						\$ 361,281

The accompanying notes to the basic financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

**FUND BALANCE SHEET
GOVERNMENTAL FUNDS**

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2021

	General Fund	Title III B Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
ASSETS					
Cash	\$ 132,638	\$ 0	\$ 5,510	\$ 0	\$ 138,148
Property tax receivable	587	0	0	0	587
Government Grants and Contracts Receivable:					
St. Helena Parish Police Jury - (Section 5311)	4,128	27,626	0	0	31,754
Capital Area Agency on Aging (CAAA)	0	15,064	2,790	130	17,984
Prepaid insurance	2,949	0	0	0	2,949
Due from other governmental funds	42,604	0	0	0	42,604
 Total Assets	\$ 182,906	\$ 42,690	\$ 8,300	\$ 130	\$ 234,026
LIABILITIES AND FUND BALANCES					
Current Liabilities					
Accounts payable	393	0	8,244	0	8,637
Accrued and withheld payroll taxes	6,825	216	56	0	7,097
SBA - Paycheck Protection Plan Loan	47,750	0	0	0	47,750
Due to other governmental funds	0	42,474	0	130	42,604
Total Liabilities	54,968	42,690	8,300	130	106,088
Fund Balances					
Nonspendable - prepaid expenditures	2,949	0	0	0	2,949
Restricted for utility assistance	2,540	0	0	0	2,540
Restricted for material aid	3,959	0	0	0	3,959
Unassigned	118,490	0	0	0	118,490
Total Fund Balances	127,938	0	0	0	127,938
Total Liabilities and Fund Balances	\$ 182,906	\$ 42,690	\$ 8,300	\$ 130	
Amounts reported for governmental activities in the statement of net position are different because:					
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds					289,863
- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds					17,606
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as liabilities					(74,126)
Net Position of Governmental Activities					\$ 361,281

The accompanying notes to the basic financial statements are an integral part of this statement.

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

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	General Fund	Title III B Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 158,544	\$ 182,380	118,587	\$ 130	\$ 459,641
Property tax	173,790	0	0	0	173,790
Program service fees	9,218	0	0	0	9,218
Public Support	105	0	1,394	0	1,499
Interest Income	373	0	0	0	373
Miscellaneous	2,580	0	0	0	2,580
Total revenues	<u>344,610</u>	<u>182,380</u>	<u>119,981</u>	<u>130</u>	<u>647,101</u>
EXPENDITURES					
Health, Welfare, & Social Services:					
Current:					
Personnel	20,854	178,804	46,591	0	246,249
Fringe	1,937	16,551	4,376	0	22,864
Travel	39	319	82	0	440
Operating Services	8,189	66,228	19,914	0	94,331
Operating Supplies	5,457	34,630	6,143	0	46,230
Other Costs	1,616	9,778	2,154	0	13,548
Meals	0	0	69,204	0	69,204
Full Service	0	4,102	0	0	4,102
Capital Outlay	91,251	0	0	0	91,251
Intergovernmental	20,615	0	0	0	20,615
Debt Service - principal & interest	2,051	0	0	0	2,051
Total expenditures	<u>152,009</u>	<u>310,412</u>	<u>148,464</u>	<u>0</u>	<u>610,885</u>
Excess of revenues over (under) expenditures	<u>192,601</u>	<u>(128,032)</u>	<u>(28,483)</u>	<u>130</u>	<u>36,216</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	75,000	0	0	0	75,000
Proceeds from insurance	2,140	0	0	0	2,140
Operating transfers in	130	128,032	28,483	0	156,645
Operating transfers out	<u>(156,515)</u>	<u>0</u>	<u>0</u>	<u>(130)</u>	<u>(156,645)</u>
Total other financing sources (uses)	<u>(79,245)</u>	<u>128,032</u>	<u>28,483</u>	<u>(130)</u>	<u>77,140</u>
Net increase (decrease) in fund balances	113,356	0	0	0	113,356
FUND BALANCE (DEFICIT)					
Beginning of year	<u>14,582</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,582</u>
End of year	<u>\$ 127,938</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 127,938</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

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

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$	113,356
<p>Governmental funds report the amounts the Council expends as local "matching" funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Assets as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which intergovernmental expenditures for van match (\$14,892) exceeded amortization expense (\$3,388) this year.</p>		
		11,504
<p>The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities</p>		
		874
<p>The proceeds of debt are included as an "other financing source" in the governmental funds income statement but are not reported in the statement of activities</p>		
		(75,000)
<p>Donated capital assets are recorded at their estimated fair market values at the time of acquisition in the government-wide Statement of Net Assets and Statement of Activities, whereas they are not recorded in any governmental fund financial statement because they do not impact the current flow of financial resources. The amount presented represents a credit given to the Council by the seller of a building. Instead of charging the Council full value, the seller made a noncash donation of \$200,000 of the gross sales price.</p>		
		200,000
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures (\$91,251) exceeds depreciation expense (\$3,070) in this year.</p>		
		88,181
<p>When capital assets are disposed there could be a gain or loss on the disposition, which is included within the Statement of Activities. However, governmental funds do not present gains or losses on the disposition of capital assets because they do not represent inflows or outflows of financial resources. This reconciling item represents the book value of the vehicle at the time it was disposed.</p>		
		(719)
Increase (Decrease) of Net Position of Governmental Activities	\$	<u>338,196</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2021

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

The accounting and reporting policies of St. Helena Council on the 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 the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

a. Purpose of the Council on Aging

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

The primary services provided by the Council to the elderly residents of St. Helena Parish include congregate and home-delivered meals, transportation, supportive services information and assistance, material aid, outreach, homemaker, medic alert devices, telephoning, and family caregiver support information and assistance.

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.

St. Helena Council on the Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on March 19, 1973 and began operations on October 29, 1973, the date in which it filed its articles of incorporation with the Secretary of State's office.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. Each board member can serve no more than two consecutive terms. 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. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of St. Helena Parish. Board members are elected by the general membership of the Council. Membership in the Council is open at all times, without restriction, to all residents of St. Helena Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

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

c. Basis of Presentation of the Basic Financial Statements

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

major governmental funds and combined nonmajor governmental funds.

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

Government-Wide Financial Statements

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

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

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its

indirect expenses among various functions and programs in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

In the Statement of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. The Council did not charge for any of the services it rendered during the year, except for when it provided nonelderly public transportation. Property taxes, 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. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

Fund Financial Statements

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

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

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

least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, no additional funds were deemed to be major funds by management. The nonmajor funds are summarized (aggregated) by category or fund type into a single column in the fund financial statements.

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

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

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs and 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 such as proceeds from a property tax assessment by St. Helena Parish, interest income earned on unassigned fund balances, and unrestricted donations from the general public. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are generally unrestricted, which means they may be used at the Council'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.

PCOA Funding

Parish Council on Aging (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 2021, the Council received \$100,000 of PCOA grant money into its General Fund and management transferred all \$100,000 to the Title III B fund to subsidize the cost of providing supportive services.

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 operating community service centers where elderly people are receiving supportive social services and participating in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council maintained one senior center (Dennis Mills) during FY21 but it was closed due to the covid pandemic and remained closed until October 2021. During the year, the Council received a primary *Senior Center* award of \$25,000 which was received into its General Fund and then transferred \$17,751 to the Title III C-2 Fund to subsidize the cost of providing home-delivered meals to those clients who were receiving congregate meals before the pandemic and \$7,429 to the Title III B Fund to help support the cost of providing supportive services. In addition, two *Supplemental Senior Center* awards were made to the Council. One of the awards was for \$3,100 and the second award was for \$7,813. Both amounts were received into the General Fund and then transferred to the Title III C-2 Fund to help subsidize the cost of providing home-delivered meals.

Transportation Program Services - Nonelderly

The Council provides transportation services to the residents of St. Helena Parish who are not 60 years old for a fee. These program service fees and their related costs are accounted for within the *Nonelderly Transportation* program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the *Elderly Transportation* program of the Title III B Fund. This year the Council generated \$9,218 of fees from the *Nonelderly Transportation* program. About 13% of all trips this year involved people who were under 60 years old.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are usually accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. The Council did not provide this service in FY21 so they did not receive any of these funds. In order to have received these funds, the Council would have had to provide services which consist of hosting

outreach, enrollment, and education events in accordance with the specifications, procedures, and requirements outlined in the MIPPA Grant Taxonomy. No MIPPA services were provided this year.

Utility Assistance

This program provides utility assistance to elderly, disabled, and handicapped people that qualify for assistance. In past years, the Council used to participate with utility companies to provide this assistance but now the Council has to rely on occasional contributions from the general public to provide utility assistance. This year the Council did not provide any utility assistance to senior citizens. The money available for utility assistance represents unspent funds carried over from past years.

Any contributions received for this program are considered restricted public support and can only be used to pay for direct services. No indirect or administration expenses can be paid for with the donated money.

Special Revenue Funds are used to 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. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or nonmajor governmental fund:

Major Special Revenue Funds:

Title III B Fund

The Title III B Fund is used to account for funds used to provide various units of supportive social services to the elderly. The main sources of the revenue forming the basis for this fund are as follows:

- A grant from GOEA via CAAA for *Special Programs for the Aging _ Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$30,929).
- A grant from the Louisiana Department of Transportation and Development (DOTD) which is passed through the St. Helena Parish Police Jury (PJ) to the Council for rural transportation services. This grant is commonly referred to as *Section 5311* and generally reimburses the Council 50% of the cost of providing rural transportation services although in FY21 the reimbursement was 100%.

Exhibit F - Continued

The portion (\$151,451) of this grant that was used to pay for the rural transportation costs for elderly riders has been recorded as revenue in this fund. This year about 87% of the trips provided this year involved elderly people.

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 the Council reported to CAAA that it provided during the fiscal year, are as follows:

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	267
Medic Alert Devices	110
Telephoning	7,187
Transportation for people age 60 or older	2,366

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide meals and nutrition education in a group setting to people age 60 or older at strategically located senior centers throughout St. Helena Parish. The Council's senior center is located at Dennis Mills but was not in service this year because of the COVID-19 pandemic. Instead, those people that normally visited the meal site to eat had the option to receive a home-delivered meal until services at the meal site could be resumed.

The usual sources of revenues received that form the basis of this fund are (1) *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* grant funds from GOEA via CAAA and (2) restricted, voluntary public support from those persons who received congregate meals. Because the congregate meal program was temporarily discontinued, the funds usually budgeted for the Title III C-1 fund were reprogrammed into the Title III C-2 fund.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year, the Council reported to CAAA that it provided 37,780 home-delivered meals and 56 units of nutrition education to eligible participants.

The sources of revenue received this year that form the basis of this fund are as follows:

- A grant from CAAA for *Special Programs for the Aging – Title III, Part C-2 – Nutrition Services* (\$34,967). The Council also received \$83,620 in CARES Act funds to supplement its primary Title III C-2 grant, and
- Restricted, voluntary public support (\$1,394) from those persons who received home-delivered meals.

Nonmajor Special Revenue Funds:

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 2 units of information and assistance to eligible participants. The main source of the revenue forming the basis for this fund is a grant (\$130) the Council received from GOEA via CAAA for the *Title III, Part E – National Family Caregivers Support Program*.

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 Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

• **Fund Financial Statements – Modified Accrual Basis**

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the

modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be *available* if they are collected within sixty days of the current fiscal year-end.

Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost that is not recognized in the governmental funds.

e. Interfund Activity

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

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

f. Cash

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

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line item *Cash* on the Statement of Net Position is comprised of restricted cash of \$6,499 and an unrestricted cash of \$131,649. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Receivables

This year management estimates that all receivables presented will be collected and has not provide an allowance for uncollectable amounts. However, if management becomes aware of information at a later date 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.

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

i. Prepaid Expenses/Expenditures

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

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

For purposes of presenting prepaid expenses in the government-wide statements, the

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

j. Capital Assets

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

Government-Wide Financial Statements

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

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

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

Vehicles	5 years
Computer equipment	5 years
Office Furniture & Fixtures	7-10 years
Nutrition equipment	10 years
Leasehold improvements	20 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage 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.

Fund Financial Statements

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

k. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the *government-wide* financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities in the government-wide statements. In the *fund* financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented anywhere else in these statements.

The Council had one long-term liability at year-end, which was a note payable to First Guaranty Bank. This note arose when the Council purchased a building during fiscal year 2021 and financed \$75,000 of the total purchase price. The unpaid principal balance of the loan will be presented in the government-wide Statement of Net Position, but not in the fund Balance Sheet. See Note 9 for more details.

l. Unpaid Compensated Absences

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

m. Advances from Funding Agencies

Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agencies at the end of the grant period. Grant funds due back to a funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. At year-end, the Council did not have any advances from GOEA, CAAA, or any other funding agency.

n. Deferred Revenue Other Than Property Taxes

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet of the fund financial statements. Deferred 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 deferred revenue is removed from the Statement of Net Position and the fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenues at the end of this fiscal year.

o. Deferred Property Tax Revenue

Deferred property tax revenue represents taxes expected to be collected but not within 60 days after the end of the Council's fiscal year for which the taxes were levied. Deferred property tax revenues are reported on the Balance Sheet of the fund financial statements, but not on the Statement of Net Position, because the related revenues are recognized in the Statement of Activities using the full accrual basis of accounting. In subsequent periods when the deferred property tax revenues are collected, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized. The Council did not present any amounts this year as deferred property tax revenue because management believes little, if any, additional property tax revenue will be collected after August 31, 2021 for the 2020 property tax assessment.

p. Deferred Outflows and Inflows of Resources

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

q. Net Position in the Government-wide Financial Statements

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

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

- *Net investment in capital assets* - This component of net position consists of capital, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council's net investment in capital assets has been reduced by \$74,126 of related debt used to acquire a building.
- *Restricted net position* - This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

r. Fund Equity - Fund Financial Statements

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

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Generally, management classifies 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 and are either:

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

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

s. 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.

t. 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 unsubsidized net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. On occasion, there are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions, or the program activities are so small that allocating indirect costs is not practical.

u. 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.

v. Special Items

Special items are significant transactions or events that are either unusual in nature or infrequent in occurrence and that are within the control of the Council's management. Within the control of management does not necessarily mean that management did control the transaction. It simply means that management could control it. Special items, if applicable, will be reported separately in both the government-wide statement of activities and the governmental fund statements of revenues, expenditures, and changes in fund balances. This year, the Council had no special items to report.

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 - Revenue Recognition - Property Tax

The Council receives funds from a property tax that was adopted by the voters of St. Helena Parish on October 4, 2008 to specifically provide money to finance the Council's operations. The St. Helena Parish Assessor began assessing the ten-year property tax in 2009 and continued to do so through 2018. On November 8, 2016 the voters of St. Helena Parish renewed this tax for another ten years (through 2028). The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January preceding the annual levy date (November 15th) is used as the date to value the property subject to tax and make the annual assessment.

The gross assessed value as of January 1, 2020, of the certified roll was \$68,245,260. After applying homestead exemptions and other reductions of \$18,318,204, the net assessed value upon which the Council's property tax was computed was \$49,927,056. The Council's management elected to have the Parish assess the millage of 3.53 mills for tax year 2020. Accordingly, management initially accrued property tax revenue of \$176,244. Subsequently, \$4,130 of adjustments were made by the sheriff for supplements, reductions, and adjudicated/exempt taxes. Accordingly, the Council's gross property tax revenue was adjusted to \$172,114. In addition, the Council also collected \$1,676 of previously unpaid property taxes this year. As a result, the adjusted property tax revenue presented in this year's financial statements is \$173,790.

Property taxes are levied in November and are considered delinquent if not paid by December 31 (the lien date). Most of the property taxes are collected during the months of December, January, and February. The St. Helena Parish Sheriff acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the taxes due as possible. The tax sale date for St. Helena Parish for the 2020 tax assessment was May 19, 2021 and the tax liens were recorded on May 19, 2021.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. As the taxes are collected and remitted to the Council, they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also has a policy of accruing as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts

Exhibit F - Continued

to be measurable and available. In addition, the Council did not present any amounts this year as deferred property tax revenue because management estimates little, if any, property taxes will be collected after August 31, 2021 for the 2020 property tax assessment.

For purposes of accruing property tax revenues in the government-wide financial statements, the Council follows the full accrual basis of accounting. This requires the Council to recognize property tax revenue based on the net assessed value provided by the Parish's assessor less any allowance for uncollectible amounts. Deferred property tax revenue is not recognized in the government-wide statements in contrast to the fund financial statements. If the fund financial statements do not present any amounts for deferred property tax revenues, then the amount of property tax revenues presented in the government-wide statements and the fund financial statements will be the same, which is the case this year.

Property tax revenues of \$173,790 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$5,723 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of pension plan contributions for the following governmental agencies:

Assessor's retirement fund	\$ 685
Clerks' of Court Retirement & Relief Fund	501
District Attorney's Retirement System	401
Municipal Employee's Retirement System	501
Parochial Employees' Retirement System	501
Registrar of Voters Employees' Retirement System	125
Sheriffs' Pension & Relief Fund	1,003
Teachers' Retirement System	2,006
Total	<u>\$ 5,723</u>

Instead, the \$5,723 has been presented as intergovernmental expenditures on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$173,790 were reduced by the \$5,723 of on-behalf payments to present a net amount of \$168,067 for general revenues. See Note 11 to these financial statements for more information.

Note 4 - Cash Management and Deposits

The Council maintains a consolidated operating bank account at First Guaranty Bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash

management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

The Council maintains a \$200 petty cash fund to pay for small, unexpected expenses that might arise during daily operations.

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. At year-end, all of the bank balances were insured 100% by federal depository insurance thereby making them a Category 1 type credit risk.

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
First Guaranty Bank	\$ 137,948	\$ 137,948	None	Demand	Category 1
Petty Cash	200	200	None	N/A	None
Total Cash	<u>\$ 138,148</u>	<u>\$ 138,148</u>			
Unrestricted Purpose	\$ 131,649				
Restricted Purpose:					
Material Aid	3,959				
Utility Assistance	2,540				
Total Cash	<u>\$ 138,148</u>				

The Council had no asset that would be classified as an investment at year-end.

Note 5 - Government Grants and Contracts Receivable

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds.

At year end, the Council had \$49,738 of government grants and contracts receivable as follows:

- \$31,754 from the St. Helena Parish Police Jury relating to amounts reimbursable under the Section 5311 rural transportation grant (which originates with DOTD).
- \$17,984 from Capital Area Agency on Aging related to Title IIIB supportive services (\$15,064), Title III C-2 Home Delivered Meals (\$2,790) and Title III E Family Caregiver Support (\$130).

Note 6 - Prepaid Expenditures and Expenses

At year-end, the Council had \$2,949 in prepaid expenditures to report on the Fund Balance Sheet, which consisted solely of prepaid insurance.

In contrast, prepaid expenses in the Statement of Net Position consisted of the following:

	Current Portion	Noncurrent Portion
Prepaid Insurance	\$ 2,949	\$ 0
Unamortized vehicle usage	3,952	13,654
Total prepaid expenses	<u>\$ 6,901</u>	<u>\$ 13,654</u>

The current portion of prepaid expenses represents the amount that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount that will be amortized in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has put up (in previous years) *matching funds* under capital assistance grants the St. Helena Parish Police Jury (PJ) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. The vehicles are titled in the name of the PJ, but the Council uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Council expends as *matching funds* are first recorded as van deposits in its fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles - approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the government-wide financial statements best presents the economics of the transactions. No written lease exists between the PJ and the Council that sets forth the terms of the agreement to use the PJ's vehicles. However, this type of cooperative endeavor agreement to provide similar general public transportation in other parishes in Louisiana has been used for many years.

Note 7 - Changes in Capital Assets and Accumulated Depreciation

A summary of changes in capital assets that are being depreciated and their related accumulated depreciation is as follows:

Capital Assets Being Depreciated	Balance June 30, 2020	Additions	Decreases	Balance June 30, 2021
Vehicles	\$ 63,001	\$ 0	\$ (3,595)	\$ 59,406
Office furniture and equipment	10,224	13,875	0	24,099
Total Capital Assets	73,225	13,875	(3,595)	83,505
Less Accumulated Depreciation:				
Vehicles	60,600	1,682	(2,876)	59,406
Office furniture and equipment	10,224	1,388	0	11,612
Total Accumulated Depreciation	70,824	3,070	(2,876)	71,018
Capital Assets Net of Depreciation	\$ 2,401	\$ 10,805	\$ (719)	\$ 12,487

All the Council's vehicles are operational at year-end. The Council's management has also reviewed the other capital assets and believes none are impaired as of year-end.

The Council also acquired a new building during the year which was not placed in service as of year-end and therefore, was not depreciated, but is a component of capital assets.

Depreciation was charged to governmental activities in Exhibit B as follows:

Administration	\$ 1,000
Supportive Services - elderly transportation	1,801
Transportation of the nonelderly	269
Total depreciation expense for governmental activities	\$ 3,070

The \$1,000 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. The depreciation amounts (\$2,070) are charged as direct expenses to their related functions on the Statement of Activities.

Note 8 - SBA Paycheck Protection Program (PPP) Loan

On April 21, 2020, the St. Helena Council on Aging received loan proceeds of \$47,750 under the Paycheck Protection Program (PPP) sponsored by the Small Business Administration (SBA). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for

amounts up to 2.5 times the average monthly payroll expenses of the business. The loan and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its workforce levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

As of June 30, 2021 the Council had not yet received forgiveness of the PPP loan. However, the Council had fulfilled the requirements to be forgiven and therefore, had submitted an application requesting forgiveness. On August 20, 2021 the PPP loan, along with accrued interest of \$609.63, was forgiven in full.

Note 9 - Long-term Debt

On March 4, 2021 the Council purchased a building with a total cost of \$277,376 of which \$200,000 was donated to the Council by the seller, \$75,000 was financed with proceeds from a loan from First Guaranty Bank, and the remaining \$2,376 was paid in cash by the Council. The terms of the loan require the Council to pay \$616.93 monthly for 59 months beginning April 12, 2021 with a balloon payment of \$57,246 due March 12, 2026. The loan bears interest at an annual rate of 5.5% and the building is the security for the loan. The interest paid this year on the note was \$1,177.

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Note Payable	\$ -	\$ 75,000	\$ (874)	\$ 74,126	\$ 4,421

The annual requirements to amortize the debt outstanding at June 30, 2021, are as follows:

Year Ending June 30	Principal	Interest	Total
2022	4,421	2,982	7,403
2023	3,602	3,801	7,403
2024	3,803	3,600	7,403
2025	4,031	3,372	7,403
2026	58,269	3,416	61,685
	<u>74,126</u>	<u>17,171</u>	<u>91,297</u>

Note 10 - Fund Balances - Fund Financial Statements

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

The Council's General Fund had a fund balance at year-end of \$127,938. The composition of the fund balance is presented on the face of Exhibit C - Fund Balance Sheet.

Note 11- On-Behalf Payments for Fringe Benefits

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (Revised Statute 11:82) requires the Council to bear a pro-rata share of the pension expense relating to various statewide public retirement systems (see Note 3 for a detailed list). The Council's pro-rata share of the required contribution was \$5,723 that was withheld by the St. Helena Parish Sheriff from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation in December each year even though some of the property tax assessments may be decreased later or never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

Note 12- In-Kind Contributions

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

The in-kind contributions that the Council received during the year consisted primarily of free rent and utilities relating to the use of the main administration office in Greensburg and senior center at Dennis Mills. The Council also received a \$200,000 donation in the form of a seller credit which reduced the cost of a building it purchased in March 2021.

Starting March 1, 2020, the Council moved into a new administrative building located at 53 South Main St. in Greensburg. The rent for this building is \$1,500 per month of which

the Parish pays half (\$750) on-behalf of the Council.

Note 13 - Board of Directors' Compensation

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

Note 14 - Income Tax Status

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

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

Note 15 - Lease and Rental Commitments

On February 28, 2020 the Council entered into a lease agreement with Robert J. Carter to lease a building to be used as the administrative office. The lease is for two (2) years beginning March 1, 2020 and ending February 28, 2022. The terms of the lease require the Council to pay \$750 per month. The Council paid the full annual amount of \$9,000 in March of 2021 for the twelve (12) months ending February 2022.

There are no minimum future lease payments under the lease as of June 30, 2021 because the Council chose to pay the lease in full.

Note 16 - Judgments, Claims, and Similar Contingencies

As year-end, the Council has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council 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 17 - Contingencies - Grant Programs

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

Note 18 - 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 federal, 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 next year relating to its usual sources of intergovernmental revenues.

The Council also receives a significant amount of revenue from its property tax. If the property in St. Helena Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected. Management is not aware of any actions or events that will adversely affect next year's property tax revenue

Note 19 - 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 (workman's compensation insurance); 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.

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

The Council does not provide any type of personal health insurance coverage to its employees.

Note 20 -COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak a global pandemic. Despite the efforts to contain the virus and the safeguards taken to protect everyone, the virus has significantly affected all economies throughout the world. Specifically, the Council has had to alter its normal operations in response to the virus to protect its clients and employees while still trying to provide services to the elderly. As of the date of the issuance of these financial statements, the impact to the Council’s financial position has been minimal. However, because the virus has not been fully controlled, the future impact to the Council is unknown.

Note 21 -Interfund Receivables and Payables – Fund Financial Statements

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

	Receivable From	Payable To
General Fund:		
Major Funds:		
Title III B	\$ 42,474	\$ 0
Nonmajor Funds in the aggregate	130	0
Totals for the General Fund	<u>\$ 42,604</u>	<u>\$ 0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	\$ 0	\$ 42,474
Nonmajor Funds in the aggregate:		
General Fund	0	130
Totals for All Funds	<u>\$ 42,604</u>	<u>\$ 42,604</u>

Note 22 - Interfund Transfers

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

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 128,032
Title III C-2 Fund	0	28,483
Nonmajor Funds in the Aggregate	130	0
Total General Fund	130	156,515
Title III B - Fund:		
General Fund - local funds	\$ 20,603	\$ 0
General Fund - PCOA regular grant	100,000	0
General Fund - Senior Center grant	7,429	0
Total Title III B Fund	128,032	0
Title III C-2 - Fund:		
General Fund - Senior Center grant	17,571	0
General Fund - Sup. Senior Center grant 1	3,100	0
General Fund - Sup. Senior Center grant 2	7,812	0
Total Title III C-2 Fund	28,483	0
Nonmajor Funds in the Aggregate:		
General Fund	\$ 0	\$ 130
Total for Nonmajor Funds	0	130
Grand Totals	\$ 156,645	\$ 156,645

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

Transfers are eliminated as part of the consolidation process in preparing the government-wide financial statements.

Note 23 -Note Payable - Line of Credit

The Council has a \$75,000 line of credit with First Guaranty Bank. The line of credit is to be used in case funds are not received on time to pay bills. Below is a chart that illustrates the activity on the line of credit for the fiscal year.

Balance at beginning of year	\$ 10,000
Current year borrowings	25,000
Current year repayments	<u>(35,000)</u>
Balance at year end	<u>\$ -</u>

Note 24 -Related Party Transactions

There were no related party transactions during the fiscal year.

Note 25 -Subsequent Events

Management has evaluated subsequent events through February 14, 2022 which is the date the financial statements were available to be issued. The following event requires disclosure:

On August 29, 2021, Hurricane Ida made landfall near Port Fourchon, Louisiana, as a Category 4 storm, with winds traveling in excess of 150 miles per hour. The natural disaster caused significant wind-related and water-related damage to homes and businesses throughout St. Helena Parish. The hurricane temporarily affected the program services the Council typically provides but did not damage any of the Council's property and have any adverse impact on the Council's financial position.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

Budgetary Comparison Schedule - General Fund
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original (Unamended)	Modified Accrual Basis	Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs:			
PCOA	\$ 100,000	\$ 100,000	\$ 0
Senior Center	25,000	25,000	0
Supplemental Senior Center 1	3,100	3,100	0
Supplemental Senior Center 2	7,813	7,813	0
St. Helena Parish Police Jury - Section 5311 funds	22,750	22,631	(119)
Property Tax	176,000	173,790	(2,210)
Program Service Fees - transportation	9,200	9,218	18
Public Support	0	105	105
Interest Income	200	373	173
Miscellaneous	300	2,580	2,280
Total revenues	<u>344,363</u>	<u>344,610</u>	<u>247</u>
<u>EXPENDITURES</u>			
Current:			
Personnel	22,863	20,854	2,009
Fringe	1,832	1,937	(105)
Travel	23	39	(16)
Operating Services	6,963	8,189	(1,226)
Operating Supplies	2,196	5,457	(3,261)
Other Costs	1,172	1,616	(444)
Capital Outlay	0	91,251	(91,251)
Intergovernmental	5,873	20,615	(14,742)
Debt Service - principal & interest	0	2,051	(2,051)
Total expenditures	<u>40,922</u>	<u>152,009</u>	<u>(111,087)</u>
Excess of revenues over expenditures	<u>303,441</u>	<u>192,601</u>	<u>(110,840)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from long-term debt	0	75,000	75,000
Proceeds from insurance	0	2,140	2,140
Transfers in	0	130	130
Transfers out	(152,065)	(156,515)	(4,450)
Total other financing sources (uses)	<u>(152,065)</u>	<u>(79,245)</u>	<u>72,820</u>
Net increase (decrease) in fund balance	<u>\$ 151,376</u>	<u>113,356</u>	<u>\$ (38,020)</u>
<u>FUND BALANCE</u>			
Beginning of year		<u>14,582</u>	
End of year		<u>\$ 127,938</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
Capital Area Agency on Aging	\$ 68,248	\$ 30,929	\$ (37,319)
St. Helena Parish Police Jury - (Section 5311)	128,911	151,451	22,540
Total revenues	<u>197,159</u>	<u>182,380</u>	<u>(14,779)</u>
<u>EXPENDITURES</u>			
Current:			
Personnel	154,392	178,804	(24,412)
Fringe	12,369	16,551	(4,182)
Travel	157	319	(162)
Operating Services	52,495	66,228	(13,733)
Operating Supplies	8,953	34,630	(25,677)
Other Costs	7,900	9,778	(1,878)
Full Service	3,911	4,102	(191)
Capital Outlay	0	0	0
Total expenditures	<u>240,177</u>	<u>310,412</u>	<u>(70,235)</u>
Excess of expenditures over revenues	<u>(43,018)</u>	<u>(128,032)</u>	<u>(85,014)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	43,018	128,032	85,014
Transfers out	0	0	0
Total other financing sources (uses)	<u>43,018</u>	<u>128,032</u>	<u>85,014</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>			
Beginning of year		0	
End of year		<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
Capital Area Agency on Aging - Primary	\$ 34,057	\$ 34,967	\$ 910
Capital Area Agency on Aging - CARES grant	0	83,620	83,620
Restricted Public Support - client contributions	1,200	1,394	194
Total revenues	<u>35,257</u>	<u>119,981</u>	<u>84,724</u>
<u>EXPENDITURES</u>			
Current:			
Personnel	50,346	46,591	3,755
Fringe	4,033	4,376	(343)
Travel	69	82	(13)
Operating Services	22,220	19,914	2,306
Operating Supplies	23,923	6,143	17,780
Other Costs	3,480	2,154	1,326
Meals	59,150	69,204	(10,054)
Capital Outlay	0	0	0
Total expenditures	<u>163,221</u>	<u>148,464</u>	<u>14,757</u>
Excess of expenditures over revenues	<u>(127,964)</u>	<u>(28,483)</u>	<u>99,481</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	127,964	28,483	(99,481)
Transfers out	0	0	0
Total other financing sources (uses)	<u>127,964</u>	<u>28,483</u>	<u>(99,481)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

St. Helena Council of Aging, Inc.
Greensburg, Louisiana
For the Year Ended June 30, 2021

Note 1 - Budgetary Reporting

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

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

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management makes projections of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass through to the Council from GOEA.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under a federal matching program. The *match* might be made in one year and the vehicle delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year management did not amend the budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the CAAA and the Governor's Office of Elderly Affairs for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

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

Management budgeted an operating surplus in the Council's General Fund this year of \$151,376.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

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

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	Title III E Fund	Totals
<u>REVENUES</u>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA)	\$ 130	\$ 130
Total revenues	130	130
<u>EXPENDITURES</u>		
Current:		
Personnel	0	0
Fringe	0	0
Travel	0	0
Operating Services	0	0
Operating Supplies	0	0
Other Costs	0	0
Total expenditures	0	0
Excess of revenues over (under) expenditures	130	130
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	0	0
Operating transfers out	(130)	(130)
Total other financing sources (uses)	(130)	(130)
Net increase (decrease) in fund balances	0	0
<u>FUND BALANCE (DEFICIT)</u>		
Beginning of year	0	0
End of year	\$ 0	\$ 0

See Independent Auditor's Report.

COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2021

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
<u>Capital Assets</u>				
Building	\$ 0	\$ 277,376	\$ 0	\$ 277,376
Vehicles	63,001	0	(3,595)	59,406
Office furniture and equipment	10,224	13,875	0	24,099
Total capital assets	<u>\$ 73,225</u>	<u>\$ 291,251</u>	<u>\$ (3,595)</u>	<u>\$ 360,881</u>
<u>Investment in Capital Assets</u>				
Property acquired with funds from -				
PCOA	\$ 59,482	\$ 0	\$ 0	\$ 59,482
Donated by St. Tammany COA	3,595	0	(3,595)	0
Local	10,148	91,251	0	101,399
Noncash donation by seller of building	0	200,000	0	200,000
Total investment in capital assets	<u>\$ 73,225</u>	<u>\$ 291,251</u>	<u>\$ (3,595)</u>	<u>\$ 360,881</u>

See Independent Auditor's Report.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

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

St.Helena Council on Aging, Inc.
Greensburg, Louisiana
For the year ended June 30, 2021

Executive Director's Name: James Robb

Purpose	Amount
Salary	\$ 36,865.42
Benefits-insurance (health and life)	-
Benefits-retirement	-
Benefits-other (FICA & LUTA)	2,891.05
Reimbursements - various office supplies and services	378.41
Travel - parking mileage reimbursements for using personal car on Council business	419.96
Total	40,554.84

See Independent Auditor's Report.

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



**Hebert Johnson
& Associates, Inc.**
Certified Public Accountants

18435 HIGHWAY 22, STE. 2
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

18890 FLORIDA BLVD., STE A
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

A P R O F E S S I O N A L A C C O U N T I N G C O R P O R A T I O N

**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**

To the Board of Directors
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Council on the Aging, Greensburg, Louisiana, (the Council) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated February 14, 2022.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However as described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow

management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as items 2021-1 to 2021-2 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2021-3 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2021-4.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
February 14, 2022

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. 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*:
Internal control over financial reporting:
•Material weaknesses identified? Yes
•Significant deficiencies identified? Yes

Noncompliance material to the financial statements identified? Yes
- C. Federal Awards:
Auditor's reports on compliance for each major federal award program and on internal control over federal awards are not applicable because federal award expenditures were less than \$750,000 and a single audit was not required this year.
- D. Was a management letter issued for this year's audit? No

SECTION II - FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL

2021-01 Segregation of Duties

Criteria:

Proper segregation of incompatible duties requires that there be different individuals responsible for authorizing transactions, recording transactions, preparing reconciliations and maintaining custody of related assets.

Condition:

Due to the small number of employees involved in the daily operations of the financial process there are not sufficient segregation of duties. We noted the following:

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- The accountant reconciles the bank statement on a monthly basis. The outside accountant reviews the reconciliation a few times out of the year, but there is no proof management is reviewing the reconciliation nor reviewing the cancelled checks on the bank statement. The accountant also has access to change vendors in the accounting system.
- The accountant and another individual will count cash contributions. Once counted the amount is totaled, the accountant delivers the deposit to the bank and receives a deposit receipt. No other individual is reviewing the deposit receipt.

Cause:

The company's staff is not sufficient size to allow for proper and appropriate segregation of duties.

Effect:

Failure to maintain an adequate segregation of duties, particularly in the Finance Department, creates an environment in which errors or other irregularities could occur and not be detected in a timely manner by employees performing their assigned functions.

Recommendation:

We recommend management perform the following:

- The executive director should review the monthly bank statement and related bank reconciliations (including all cancelled checks) and document the review and approval of the items clearing the bank statement by initialing and dating the face of the bank statement.
- The Council should have someone other than the accountant deliver deposits to the bank. The deposit receipt should be returned to the accountant to match the amount on the deposit receipt to the copy of the deposit slip.

Management's Response:

The bookkeeper will reconcile the bank statement and submit the reconciliation to the outside CPA along with a copy of the bank statement for the outside CPA to review.

The accountant will no longer deliver deposits to the bank. Deposit tickets will be matched to the deposit slip. Responsible party is Jim Robb, Executive Director, 225-222-6070.

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2021-02 Incomplete Client Files

Criteria:

The Council on Aging should have controls in place to ensure that client files are being maintained appropriately, and service units are being accurately reported as required by Capital Area Agency on Aging, Inc.

Condition:

According to the Capital Area Agency on Aging, Inc., staff personnel are having the following repeated issues:

- Staff personnel are not updating client files accurately and/or timely
- Backup documentation is not being kept for units serviced in the nutrition education and telephoning program
- Service units are not being accurately reported in the program software

Cause:

The Council on Aging does not have adequate procedures in place to ensure that client files are appropriately maintained and service units are accurately reported.

Effect:

Many of the Council on Aging's client files are either incomplete and/or overdue. Service units are also being inaccurately reported.

Recommendation:

We recommend management properly train staff in their respective jobs and review the work of the staff to ascertain that they are applying their training properly and minimizing errors. We also recommend the executive director or a supervisor perform spot checks on a regular basis to verify the staff have retained their instructions. The client files selected should be documented along with the date and individual performing the monitoring.

Management's Response:

Management agrees with the recommendations and is working with Capital Area Agency on Aging, Inc. to have additional training with employees. The Council on Aging staff is providing Capital Area Agency on Aging the documentation that backs up the reports of services provided on a weekly basis. Responsible party is Jim Robb, Executive Director, 225-222-6070.

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2021-03 Coding of Payroll Transactions

Criteria:

Payroll transactions must be recorded in the proper fund in order for the financial statements to have the appropriate presentation.

Condition:

During our testing of payroll transactions, we noted instances of classifying portions of employees' wages to incorrect funds. We also noted that an employee's vacation hours are being coded to indirect costs. A portion of the employee's wages could be recorded to a program the employee does not participate in when coding to indirect cost.

Cause:

The accountant is erroneously coding employees' wages to incorrect funds.

Effect:

Salaries may be overstated or understated in each fund.

Recommendation:

We recommend the accountant and executive director review the general ledger by fund, on a monthly basis, to catch any errors with the classification of employees. We also recommend the accountant to have a more thorough review of time sheets before printing the employees' paychecks. If the time sheet appears incorrect, the accountant should inform the executive director. The executive director should then discuss the matter with the employee's supervisor.

Management's Response:

Management is working on a plan that will ensure that work classifications for employees will be done according to a schedule that ensures that each employee can only count the hours of work in those categories of responsibility that they are assigned. With each payroll the supervisor will review the staff's work hours to ensure that they are recorded according to their assigned work responsibilities. The calculation of sick leave and annual leave will be calculated and recorded according to the same work schedule for each employee. No coding of indirect cost will be permitted without direct authorization from the approved supervisor or the director of the Council on aging. Responsible party is Jim Robb, Executive Director, 225-222-6070.

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Compliance

2021-04 Capital Area Agency on Aging Fiscal and Programmatic Assessment Report

Criteria:

The Council on Aging is required to follow certain guidelines by the Capital Area Agency on Aging and policies within the Governor's Office of Elderly Affairs Policy Manual.

Condition:

The Capital Area Agency on Aging issued a report to the Council for a review performed from records in January 2021. The following findings were listed:

- Thirty -eight files were either incomplete, overdue, not corrected after repeated findings over the past 3-4 years or were not provided during the CAAA Audit.
- Units serviced were claimed for the Nutrition Education Program but there was not backup documentation of what was sent to the client.
- Units serviced were logged by the staff for the Telephoning Program but not recorded in the software used by Capital Area Agency on Aging.
- Units serviced were being reported for clients that were not living alone and have no family support.
- Units serviced for transportation were not accurately submitted to Capital Area Agency on Aging. The Council's client logs did not match what was being submitted to Capital Area Agency on Aging.
- Board minutes were not signed by the board secretary as required by GOEA Policy Manual.
- \$1,307.50 of reported participant contributions were not reported to Capital Area Agency on Aging.

Cause:

Staff members have been trained and advised by Capital Area Agency on Aging however, staff don't seem to retain the information per Capital Area Agency on Aging.

Effect:

The Council is not in compliance with Capital Area Agency on Aging and the Governor's Office of Elderly Affairs guidelines.

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Recommendation:

We recommend the following:

- All client files must be updated yearly.
- Staff tasked with data entry must be trained in proper documentation required to claim units of service.
- Staff tasked in reporting transportation units must be trained to count the correct number of rides and to enter the correct number of units.
- All approved board minutes must be signed by the Board Secretary.
- All participant contributions must be reported each month to Capital Area Agency on Aging.
- We also recommend the executive director or a supervisor perform spot checks on a regular basis to verify the staff have retained their instructions. The client files selected should be documented along with the date and individual performing the monitoring.

Management's Response:

Management agrees with the recommendations and is working with Capital Area Agency on Aging, Inc. to have additional training with employees. The Council on Aging staff is providing Capital Area Agency on Aging the documentation that backs up the reports of services provided on a weekly basis. Contributions for services provided by the Council on Aging are sometimes very limited and are reported to Capital Area Agency on Aging on a regular basis to ensure that this information and contributions are recorded properly in monthly invoices and yearly budgets. Responsible party is Jim Robb, Executive Director, 225-222-6070.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

St. Helena Council on the Aging, Inc.

Greensburg, Louisiana

For the year ended June 30, 2021

Financial Statement Findings

2020-01 Segregation of Duties

Condition:

Due to the small number of employees involved in the daily operations of the financial process there are not sufficient segregation of duties. We noted the following:

- The accountant reconciles the bank statement on a monthly basis. The outside accountant reviews the reconciliation a few times out of the year, but no other individual of management is reviewing the reconciliation nor reviewing the cancelled checks on the bank statement. The accountant also has access to change vendors in the accounting system.
- When the drivers of the Council are delivering meals to participants, the participants are handing the cash to the driver in an envelope. The driver places the envelope in a locked box which is delivered to the Council's office. Currently the accountant and another individual count the cash contributions each day. Once counted the amount is totaled, the accountant delivers the deposit to the bank and receives a deposit receipt. No other individual is reviewing the deposit receipt.

Recommendation:

We recommend management perform the following:

- The executive director should review the monthly bank statement and related bank reconciliations (including all cancelled checks) and document the review and approval of the items clearing the bank statement by initialing and dating the face of the bank statement.
- The Council should inform the participants receiving home-delivered meals to place the contribution into the locked box and discontinue hand delivering contributions to the drivers.
- The Council should have someone other than the accountant deliver deposits to the bank. The deposit receipt should be returned to the accountant to match the amount on the deposit receipt to the copy of the deposit slip.

Resolved:

Partially, See Finding 2021-1

Continued

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
St. Helena Council on the Aging, Inc.
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2020-02 Approval of Payroll

Condition:

As part of our procedures we reviewed a sample of personnel files. We noted the files did not contain the approved starting salary or subsequent changes to pay rates.

Recommendation:

We recommend management include in each employee's file (1) the employment application form that includes background information (employee's name, address, date of birth, emergency contact) and work experience of the employee; (2) the approved starting salary or rate of pay amount; (3) the Federal Employee's Withholding Allowance Certificate Form W-4 and Louisiana Employee Withholding Exemption Certificate Form L-4; (4) approved salary or hourly pay rate increases/decreases; (5) employee authorized deductions (e.g., insurance, deferred compensation plan); (6) performance appraisals; (7) promotions; and (8) disciplinary actions.

Resolved:

Fully

2020-03 Coding of Payroll Transactions

Condition:

During our testing of payroll transactions, we noted instances of classifying portions of employees' wages to incorrect funds.

Recommendation:

We recommend the accountant and executive director review the general ledger by fund on a monthly basis to catch any errors in the classification of employees. We also recommend the accountant to have a more thorough review before printing the employees' paychecks.

Resolved:

See Finding 2021-03

Continued

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
St. Helena Council on the Aging, Inc.
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2020-04 Incorrect Calculation of Overtime Rate

Condition:

When reviewing overtime paid, it appears that employees' overtime amount is being miscalculated.

Recommendation:

We recommend management pay the overtime rate based on what the employee works over 40 hours in a week.

Resolved:

Fully

Major Federal Award Program Findings and Questioned Costs

No matters were reported last year because last year's audit was not a Single Audit; therefore, there was no requirement for the auditors to report any findings with respect to major federal award programs.

Management Letter

None was issued last year.

Concluded

This schedule was prepared by management.