

# Financial Report

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

June 30, 2021



**T.S. KEARNS & CO.**  
**CPA**

(A Professional Corporation)  
164 West Main Street, Thibodaux, LA 70301  
South end of Canal Boulevard  
(985) 447-8507 Fax (985) 447-4833  
[www.kearnscpa.com](http://www.kearnscpa.com)

# TABLE OF CONTENTS

## Financial Report

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
June 30, 2021

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
A. Government-Wide Financial Statements:	
• Exhibit A - Statement of Net Position	21
• Exhibit B - Statement of Activities	22
B. Fund Financial Statements:	
• Exhibit C - Fund Balance Sheet - Governmental Funds	24
• Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	25
• Exhibit E - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26
C. Exhibit F - Notes to the Financial Statements	27
Supplementary Financial Information Required by GASB Statement 34:	
• Budgetary Comparison Schedule - General Fund	63
• Budgetary Comparison Schedule - Title III B Fund	64
• Budgetary Comparison Schedule - Title III C-1 Fund	65
• Budgetary Comparison Schedule - Title III C-2 Fund	66

• Notes to Required Supplementary Information	67
<b>Supplementary Financial Information for GOEA Analysis:</b>	
• Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Nonmajor Governmental Funds	71
• Comparative Schedule of Capital Assets and Changes in Capital Assets	72
<b>Supplementary Financial Information Required by Louisiana Law</b>	
• Schedule of Compensation, Benefits, and Other Payments to the Council's Executive Director	74
<b>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 <i>Government Auditing Standards</i></b>	75
<b>Schedule of Findings and Questioned Costs</b>	77
<b>Summary Schedule of Prior Year Findings</b>	78
<b>Management's Corrective Action Plan</b>	79



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Charles Council on Aging  
Hahnville, Louisiana

### **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. Charles Council on Aging, Hahnville, 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 thereof 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 19) and budgetary comparison information (pages 63 through 66) 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 presented for purposes of additional analysis and 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 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 December 10, 2021 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 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.



T.S. Kearns & Co., CPA  
Thibodaux, Louisiana  
December 10, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### St. Charles Council on Aging, Inc.

June 30, 2021

The following discussion and analysis of the St. Charles Council on Aging, Inc.'s financial performance provides an overview and analysis 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. Please read this document in conjunction with basic financial statements, which follow.

#### Financial Highlights

- The Council showed an increase in overall net position of \$1,663,908, or about 52%.
- Net capital assets of the Council increased by \$967,602, or about 236%.
- The Council's fund revenues increased by \$178,610, or about 5.3%.
- Fund expenditures increased by \$936,889, or about 49%.
- The unassigned fund balance for the Council's General Fund was \$3,506,274, at year-end, whereas last year's unassigned fund balance was \$2,809,167.
- No deficit fund balances existed at year-end.
- The Council has no long-term debt.
- Administrative expenses increased by \$22,166 or about 5% this year. In addition, administrative expenses remained at about 13% of the Council's gross operating revenue for this year and last year.

#### How to Use This Annual Report

The Council's annual financial report consists of six 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 required by GOEA,
- (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 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

the Council's most significant funds.

The Council's auditor has provided assurance in his independent auditor's report, located immediately before this Management's Discussion and Analysis (MD & A), that the Basic Financial Statements are fairly stated. The auditor also mentions in his report that he has performed limited procedures about Management's Discussion and Analysis and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (specifically, Governmental Accounting Standards Board (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 75 of this reporting package is a second report by the independent auditor. 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 that report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### 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

The government-wide financial statements are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private sector business. When using these financial statements, the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements (Exhibits A and B) report the Council's net position and changes in them. However, to assess the overall financial position of the Council, the user must also consider non-financial factors, such as the condition of the Council's capital



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year-end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future fiscal periods.

The governmental activities of the Council include Health, Welfare, and Social Services, which are comprised of six primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen center operations, and nonelderly public transportation. Subprogram activities are also presented to facilitate additional analysis. 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. 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 and it did not directly charge any person or entity who received any service a fee to receive the service during the year.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about the Council's most significant funds, not the Council as a whole entity. In the Fund Financial Statements, there are column presentations for a General Fund, three Special Revenue Funds that have been determined to be *Major Funds*, and a column for the total of all remaining Special Revenue Funds, which are deemed to be *Nonmajor Funds*. Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet the quantitative criteria but which is believed to be important to present to the Council's financial statement users. This year management elevated the Title III C-1 Fund to major fund status to be consistent with presentations of past years financial information. 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 in and out of funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method, 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 less financial resources that can be spent in the near future for programs. The difference between net position of governmental activities and fund balances of the governmental funds has been reconciled at the bottom of the Balance Sheet (Exhibit C) for governmental funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page (Exhibit E) 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 Fund that has an adopted annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented. The Council's management amended its General Fund budget as well as the major Special Revenue Fund budgets once 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

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

the first item in this reporting package and not with GASB's other RSI, which is included later in this reporting package.

**SUPPLEMENTARY INFORMATION PRESENTED FOR GOEA ANALYSIS**

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about nonmajor governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted 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 allow the public to see what the Council's top employee has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

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

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

The following amounts reflect condensed information on the Council's assets, liabilities, and net position for the fiscal years 2021 and 2020:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Current and Other Assets:				
Current Assets	\$ 3,586,688	\$ 2,645,255	\$ 941,433	35.59%
Long-term Investments	0	250,000	(250,000)	-100.00%
Capital Assets, net of depreciation	1,378,133	410,531	967,602	235.70%
Total Assets	<u>4,964,821</u>	<u>3,305,786</u>	<u>1,659,035</u>	<u>50.19%</u>
Current Liabilities	78,718	83,591	(4,873)	-5.83%
Total Liabilities	<u>78,718</u>	<u>83,591</u>	<u>(4,873)</u>	<u>-5.83%</u>
Net Position:				
Net Investment in Capital Assets	1,378,133	410,531	967,602	235.70%
Restricted	0	5,500	(5,500)	-100.00%
Unrestricted	3,507,970	2,806,164	701,806	25.01%
Total Net Position	<u>\$ 4,886,103</u>	<u>\$ 3,222,195</u>	<u>\$ 1,663,908</u>	<u>51.64%</u>

As of June 30, 2021, and 2020, the Council *as a whole* had assets greater than its liabilities of \$4,886,103 and \$3,222,195, respectively. This \$1,663,908 increase from last year is a good indication that that Council's financial condition has improved. About 72% of the Council's total net position is *unrestricted* at year-end whereas it was about 87% last year-end. The reason for the 15% decrease in the unrestricted net position is because the Council used \$689,990 to acquire land during the year. Unrestricted net position is important because it provides management the resources to adapt to changes in the economy, emergencies, unanticipated service needs and a reduction in or termination of grant revenues by government agencies.

The Council's has nothing in *restricted* net position at the end of this year while it had \$5,500 at the end of last year. The \$5,500 was restricted for use in making renovations to the New Sarpy senior center, which occurred during this fiscal year. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net position that has been invested in capital assets is presented net of any related outstanding debt to acquire them. For the years presented, there is not any debt to be subtracted

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

from the capital asset amount. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure management will stay within its financial means so that future revenues will be spent for client services instead of debt service. The large increase in net investment in capital assets is a result of the Council having acquired land to build a new facility plus it made significant renovations to the New Sarpy senior center.

**Current assets** include \$3,058,071 (\$2,530,659 for 2020) of funds that have been invested in the Louisiana Asset Management Pool (LAMP). LAMP is a pool of local government funds that invests in short-term, high-quality investments for the purpose of providing a means to obtain interest income on idle funds and maintain liquidity. All investment income is available for management's discretionary use. The LAMP account is used as a means to finance the Council's operations during the fiscal year. Property tax collections are deposited into the LAMP account and held there until they are needed to pay the Council's bills.

**Long-term investments** include investments that have maturity dates in excess of one year from the end of the current fiscal year. The Council did not have any long-term investments at year-end because the certificate of deposit's maturity (February 2022) now falls within one year of the current year-end. Last year the certificate of deposit (\$250,000) had to be classified as a long-term investment because the maturity date was beyond the end of the Council's next fiscal year-end. Longer maturity dates are a way to maximize interest income on a portion of the excess operating funds. When the certificate of deposit matures in 2022, management will examine the Council's cash flow needs at that time and decide if reinvesting the proceeds into a new certificate of deposit is prudent.

**Current liabilities** consist primarily of accounts payable to vendors of \$69,138 (\$57,355 for 2020) and deferred revenue of \$0 (\$13,814 for 2020). Also included is \$6,684 (\$11,596 for 2020) for compensated absences that represents the Council's aggregate liability for unpaid vacation leave that its employees had earned but not taken as of year-end.

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

The following table illustrates the revenues and expenses that produced the changes in net position for FY 2021 and FY 2020, respectively.

<u>Revenues</u>	2021	% of Total	2020	% of Total	Increase (Decrease)
Program Revenues:					
Operating Grants and Contributions	\$ 476,829	13.74%	\$ 417,828	12.87%	\$ 59,001
Capital Grants and Contributions	42,720	1.23%	0	0.00%	42,720
Charges for Services	0	0.00%	0	0.00%	0
General Revenues:					
Property Taxes, net of Withholding	2,822,822	81.35%	2,660,163	81.92%	162,659
Unrestricted Grants and Contributions	113,173	3.26%	118,463	3.65%	(5,290)
Interest Income	3,993	0.12%	28,647	0.88%	(24,654)
Miscellaneous income	10,517	0.30%	26,186	0.81%	(15,669)
Gain (loss) on disposition of capital assets	0	0.00%	(4,154)	-0.13%	4,154
<b>Total Revenues</b>	<b>\$ 3,470,054</b>	<b>100.00%</b>	<b>\$ 3,247,133</b>	<b>100.00%</b>	<b>\$ 222,921</b>
<b><u>Direct Program Expenses of the Health, Welfare, and Social Services Function:</u></b>					
Supportive Services:					
Transportation of the elderly	\$ 223,391	12.37%	\$ 298,185	15.73%	\$ (74,794)
Personal Care	110,233	6.10%	135,590	7.15%	(25,357)
Homemaker	115,989	6.42%	118,972	6.28%	(2,983)
Other supportive services	127,319	7.05%	141,203	7.45%	(13,884)
Nutrition Services:					
Congregate Meals	5,562	0.31%	71,746	3.79%	(66,184)
Home-delivered Meals - elderly (over 60)	642,209	35.56%	549,588	29.00%	92,621
Home-delivered Meals - nonelderly (under 60)	13,932	0.77%	14,594	0.77%	(662)
Disease Prevention and Health Promotion	1,082	0.06%	6,741	0.36%	(5,659)
Family Caregiver Support	23,795	1.32%	38,002	2.00%	(14,207)
Senior Citizen Center Operations	69,617	3.85%	53,006	2.80%	16,611
Transportation Services - non-elderly	16,968	0.94%	30,938	1.63%	(13,970)
Other Senior Citizen Activities	3,000	0.17%	5,966	0.31%	(2,966)
Direct Administrative Expenses	453,049	25.08%	430,883	22.73%	22,166
<b>Total Expenses</b>	<b>\$ 1,806,146</b>	<b>100.00%</b>	<b>\$ 1,895,414</b>	<b>100.00%</b>	<b>\$ (89,268)</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,663,908</b>		<b>1,351,719</b>		<b>\$ 312,189</b>
Net Position beginning of the year	3,222,195		1,870,476		
<b>Net Position end of the year</b>	<b>\$ 4,886,103</b>		<b>\$ 3,222,195</b>		

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

**AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

The table above presents in a more summarized version the revenues and expenses of the Council's governmental activities for FY 2021 and FY 2020 than does the Statement of Activities.

As you can see from the table, the single largest source of the Council's total revenues came from a local **property tax** in FY 2021 and FY 2020. This year's increase in property tax revenues is expected because the total assessed value of property in St. Charles Parish increased. Without this source of revenue, the Council's operations would be impacted significantly and adversely.

Another significant source of revenues is **operating grants and contributions**. These revenues must be used for the purposes for which they were given or granted to the Council. The total amount of revenue in this category increased by \$59,001 primarily due to the Council having received CARES Act grant funds, which were designed to help the Council maintain employees and program services during the COVID-19 virus pandemic.

The Council also received **unrestricted public support and grants**, which are available for management to use at its discretion. The total amount of unrestricted grants and contributions remained relatively the same when compared to last year.

**Interest income** declined significantly this year when compared to last year because the interest rates have fallen significantly. In addition, the Council used about 1 million dollars this year to buy land and make renovations to its New Sarpy center. Accordingly, this money was not in the LAMP account to earn interest.

Another item that is noteworthy this year relates to the \$42,720 of **capital grants and contributions** revenue. When the Council purchased the land, the seller of the land gave the Council a credit (donation) towards the sales price. So, the Council only had to outlay \$689,990 of cash to acquire property worth \$732,710.

The **expenses** in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocation was 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 each year. The expense allocations are a good indication of the demand for each type of service.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities in both years are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Charles Parish and right now these two services are in the greatest demand. There is also a high demand for in-home type services such as homemaker and personal care. As these demands increase, management may need to adjust its annual budget to reallocate available resources to meet the demands.

Note that when comparing this year to last year that some direct service expenses are much lower this year. In particular, these services include transportation, personal care, family caregiver support, and congregate meals. The reason for these decreases is directly related to the virus pandemic. The Council had to curtail certain services in order to protect those people that receive the services from the virus. In contrast, home-delivered meals significantly increased as a result of COVID-19 because the senior centers were not able to serve meals and, as a result, the Council delivered meals to the people that would otherwise have been attending the centers.

Another area of interest on the Statement of Activities (Exhibit B) relates to the *Total Governmental Activities* column wherein the Council illustrates that most of the programs have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program or subprogram might *break even* or even make a slight *profit*. The Council's ability to support all programs relies heavily on general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Historically, general revenues are used to cover the excess of expenses over revenues in these activities. Without the property tax revenue and the unrestricted grants and contributions, the Council would be unable to provide program services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administration expenses from year-to-year as well as calculating the percentage administration expenses bear in relation to total expenses. For FY 2021, total administration expenses were \$453,049 whereas for FY 2020 total administration expenses were \$430,883. Administrative expenses comprised about 25% of the total expenses for this year compared to 23% last year. These percentages are within management's expectations, especially during this time of pandemic. Because the Council had to curtail direct services so much, some employees were assigned administrative duties to make use of their time until they could resume their normal work assignments. Administration expenses include indirect type costs, which are costs that benefit all programs instead of specific programs.



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

**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 \$3,514,654 (as shown on Exhibits C and D), which is an increase of \$691,394 when compared to last year. The unassigned fund balance component of the General Fund was \$3,506,274 and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$8,380 of nonspendable resources. None of the special revenue funds had a fund balance at year-end.

**Revenues and Other Financing Sources**

The combined fund revenues and other financing sources increased \$178,610 this year versus last year, as shown in the table below.

	% of 2021		% of 2020		Increase/(Decrease)	
	2021	Total	2020	Total	Amount	Percent
Property Taxes	\$ 2,924,544	82.87%	\$ 2,759,322	82.36%	\$ 165,222	5.99%
Intergovernmental	516,878	14.65%	432,168	12.90%	84,710	19.60%
Public Support	73,124	2.07%	104,123	3.11%	(30,999)	-29.77%
Interest Income	3,993	0.11%	28,647	0.86%	(24,654)	-86.06%
Miscellaneous	10,517	0.30%	26,186	0.78%	(15,669)	-59.84%
<b>Total</b>	<b>\$ 3,529,056</b>	<b>100.00%</b>	<b>\$ 3,350,446</b>	<b>100.00%</b>	<b>\$ 178,610</b>	<b>5.33%</b>

**Property tax revenue** increased this year because the assessed value upon which the property tax is assessed increased by about \$132.5 million from last year. Accordingly, this is the reason that property tax revenues increased this year.

**Intergovernmental revenue** increased this year primarily due to GOEA providing the Council \$81,445 in CARES Act funds that were made available by the federal government to help the Council during the virus pandemic.

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

**Public support revenue** decreased by \$30,999 in comparison to last year. The overall decrease was mainly due to the Council having received \$30,000 from corporate donations last year that were not received again this year. This type of revenue is expected to fluctuate because it is voluntary.

**Interest income** decreased significantly and the reasons why have already been discussed in another section of the MD & A.

**Miscellaneous income** is comprised of a variety of revenue items but the most noteworthy component relates to periodic dividends from the Council’s workman’s compensation insurer. Last year the Council received \$25,822 of dividends whereas this year it only received \$9,251, which is a decrease of \$16,571, and explains the overall decrease in this revenue component.

**Expenditures**

Total expenditures increased by \$936,889 this year, as shown in the table below.

	<u>2021</u>	% of 2021 <u>Total</u>	<u>2020</u>	% of 2020 <u>Total</u>	<u>Increase (Decrease) Amount</u>	<u>Increase (Decrease) Percent</u>
Personnel	\$ 609,351	21.47%	\$ 673,873	35.45%	\$ (64,522)	-9.57%
Fringe	79,679	2.81%	83,648	4.40%	(3,969)	-4.74%
Travel	297	0.01%	545	0.03%	(248)	-45.50%
Operating Services	290,317	10.23%	285,189	15.00%	5,128	1.80%
Operating Supplies	105,392	3.71%	87,506	4.60%	17,886	20.44%
Other Costs	16,030	0.56%	26,709	1.41%	(10,679)	-39.98%
Full Service Contracts	256,308	9.03%	325,426	17.12%	(69,118)	-21.24%
Meals	345,601	12.18%	312,071	16.42%	33,530	10.74%
Capital Outlay	1,032,964	36.40%	6,647	0.35%	1,026,317	15440.30%
Intergovernmental	101,723	3.58%	99,159	5.22%	2,564	2.59%
	<u>\$ 2,837,662</u>	100.00%	<u>\$ 1,900,773</u>	100.00%	<u>\$ 936,889</u>	49.29%

**Personnel expenditures** increased this year primarily because the virus pandemic caused the Council to cut back on some of its services, which meant that its hourly employees did not have work to perform. As a result, there was some employee attrition. Last year the Council employed about 28 people, whereas this year that number dropped to 23. **Fringe expenditures** decreased \$3,969 overall primarily because payroll taxes decreased \$6,282, however, the Council’s cost of employee health insurance increased \$2,529 due to rising health care costs. **Travel expenditures** represent a very minor expenditure category and had a small decrease this year because of the constraints placed up the Council’s activities due to the pandemic. **Operating service**

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**expenditures** increased (\$5,128) overall primarily because of increases in property and liability insurance (\$15,982), rent (\$15,137), and building maintenance (\$8,665). These increases were offset by decreases in vehicle insurance (\$20,206), workman's compensation insurance (\$3,513), and vehicle maintenance (\$8,923). **Operating supplies expenditures** increased this year by \$17,886 primarily because of an increase in program supplies (\$10,712), facility supplies (\$10,776), and office supplies (\$6,930), which were offset by a decrease in auto fuel costs (\$11,727). **Other costs** decreased this year by \$10,679 primarily because of cost decreases in the annual audit (\$4,800), senior activities (\$3,002), nutritionist (\$1,887) and training (\$1,110). **Full-service contract expenditures** significantly decreased this year mainly due to decreases in (1) personal care services (\$25,358), (2) home-delivered meals (\$23,074, which is not usually a service that requires subcontracting), (3) respite care (\$14,505), (4) wellness services (\$5,659), and (5) homemaker services (\$2,983). All of these services benefit the senior citizens directly and the cut backs were due to the pandemic. **Meals expenditures** increased by \$33,530 primarily because the Council served 15,949 more home-delivered meals this year (101,835) versus last year (85,886). This service was in high demand because those people who normally would come to the congregate meal sites could not because of the constraints placed upon the Council by the government during the pandemic. As a result, they had to receive a meal at home. **Capital outlay expenditures** increased this year by \$1,026,317. Typically, capital outlay expenditures vary from year-to-year based on the needs of the Council. For more details about this year's capital outlay expenditures please read the *Analysis of Capital Asset* section that follows later in this discussion. The increase in **intergovernmental** expenditures of \$2,564 was primarily related to an increase of \$5,499 in intergovernmental pension charges, which were offset by a decrease (\$2,910) in the amount of insurance the Parish charged the Council for using the New Sarpy center.

### AN ANALYSIS OF THE GENERAL FUND BUDGET

During the fiscal year management amended its General Fund budget once. The main reason for amending the original General Fund budget was to account for any significant changes in revenues, expenditures and transfer accounts. When the budget is first prepared the Council has to make estimates and assumptions based on past experiences and data. As the year unfolds, some of the data becomes more certain and this allows management to adjust its initial forecast.

There were several changes made to the budgeted revenues. Some of the more notable changes to revenues were (1) an increase of \$164,303 in anticipated property tax revenues, (2) a decrease in public support revenue of \$6,000 primarily due to decreases in the United Way support, and (3) a decrease in interest income of \$27,855 due to the decline in interest rates and a lower amount of investable funds.

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

There were changes made to most of the expenditure categories. A couple of the changes that directly affected the General Fund were (1) the increase of \$31,510 to capital outlay expenditures and (2) the increase of \$6,615 to intergovernmental expenditures for the COAs pro rata portion of retirement plan expenses associated with various statewide agencies. After several months of operation better data becomes available to allow these budgeted expenditure categories to be modified. The changes to the other expenditure categories were primarily a byproduct of changes to the indirect cost allocation caused by changes to the budgets of the various special revenue funds and the cut back in services as a result of the pandemic. When the original budget was prepared, management had no idea of how long the impact of the virus would last. After nine months of operation, the picture became clearer so the budget was amended in April to consider the effects of the year as much as possible.

A schedule of the original and amended budgets with comparative results to the actual revenues and expenditures for the General Fund can be found in the *Supplementary Financial Information Required by GASB Statement 34* section of this report.

When comparing the General Fund's amended budget to actual results, the Council had an overall net favorable variance of \$63,442. The more noteworthy reasons behind this net favorable variance can be summed up as follows:

- Total expenditures were \$15,220 more than budgeted mainly because there were expenditures that occurred late in the year which were not predictable at the time the budget was amended. In particular, there was facility supply purchases in June of \$13,253 for the New Sarpy center that was allowed to reopen to serve meals and provide services. This event was not predicted to occur until next fiscal year.
- Transfers to other programs were budgeted in the aggregate to be \$1,262,808 whereas actual needs only required \$1,183,743 of transfers from the General Fund, resulting in a favorable variance of \$79,065.

Also, note that because almost all of the revenues received into the Council's General Fund are unrestricted in nature, management has a lot of flexibility and discretion in being able to expend or transfer out money from its General Fund.

### **AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of the year, the Council had \$1,378,133 in capital assets net of accumulated depreciation, which is a net increase from last year of \$967,602. The net increase is comprised of the cost (\$1,075,684) of assets that were acquired, less current year depreciation of \$108,082. The

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

capital assets acquired this year consisted of land to build a new facility upon in future years (\$732,710), renovations to the New Sarpy center (\$265,422), nutrition equipment (\$7,350), an alarm system (\$3,480), and three new vehicles (\$66,722). Eleven of the Council’s eighteen vehicles were fully depreciated at year-end and all vehicles were operational. The Council has plans to build a new facility in fiscal year 2023 on the land that it purchased in fiscal year 2021. That facility will be a multiple purpose facility in that it will be a senior center, meal site and become the administrative headquarters of the Council.

	<b>2021</b>	<b>2020</b>	<b>Increase (Decrease)</b>
Land	\$ 732,710	\$ -	\$ 732,710
Vehicles	126,055	128,030	(1,975)
Equipment	14,251	11,521	2,730
Leasehold Improvements	505,117	270,980	234,137
	\$ 1,378,133	\$ 410,531	\$ 967,602

The Council has no long-term debt related to its capital assets and does not like to incur any as a matter of financial stewardship.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS**

The Council receives the large majority of its annual funding from federal and state agencies and from a local property tax. This source of income for the Council has been rather steady over the years for the Council. However, some of the Council’s grants and contracts are contingent upon the level of service provided by the Council and appropriations made by the state and federal governments, therefore, revenues could vary from year-to-year. Presently, there have been no significant adverse changes to the funding levels or terms of the Council's primary grants and contracts for next year.

Management has initially budgeted \$3,424,933 in revenues and \$3,245,415 in expenditures for the Council's programs in FY 2022 producing an excess of revenues over expenditures of \$179,518. The main reason for the budgeted surplus next year is because the Council does not forecast that its programs will become fully operational until the pandemic is over. In addition, the Council is not sure special funds will be made available by the federal and state governments in a manner similar to fiscal year 2021. Accordingly, management wants to be conservative in spending funds to handle unexpected events.

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

The GOEA has approved the Council's original budget for fiscal year 2022. There are no plans to add or terminate any programs in FY 2022. In addition, there are no plans to amend the original FY 2022 budget based on current events and known future events. However, circumstances may change as the year progresses, which may necessitate a budget amendment. Management monitors the Council's budgeted revenues and expenditures each month and will amend the budget if necessary.

COVID-19 (Coronavirus) has affected the Council most notably in the congregate service areas. Due to the pandemic, the Council has not been able to have any of its normal congregate services (i.e. C-1 meals and other activities held at the senior centers), which resulted in a large shift of expenses from the C-1 nutrition program to the C-2 nutrition program. This is expected to continue into FY2022 and will have an impact on the number of units served in comparison to past years. Management is unable to assess the quantitative and qualitative impacts that the virus will have on the Council's future operations. However, the Council's management has adapted daily operations to meet the needs of the Parish's elderly population within the current governmental guidelines.

### **CONTACTING THE COUNCIL'S MANAGEMENT**

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact April Keller, Executive Director, at 626 Pine Street, Suite A, Hahnville, Louisiana, 70057 or by phone at (985) 783-6683.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**  
**St. Charles Council on Aging, Inc.**  
**Hahnville, Louisiana**  
**June 30, 2021**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and short-term investments	\$ 3,443,706
Property tax receivable	129,100
Receivable from GOEA	1,200
Other receivables	4,302
Prepaid expenses	8,380
Total current assets	<u>3,586,688</u>
Capital Assets:	
Land	732,710
Other capital assets, net of accumulated depreciation	645,423
Total capital assets	<u>1,378,133</u>
Total Assets	<u>4,964,821</u>
 <b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts payable	69,138
Accrued payroll taxes	2,896
Accrued compensated absences	6,684
Total current liabilities	<u>78,718</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	1,378,133
Unrestricted	3,507,970
Total Net Position	<u>\$ 4,886,103</u>

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



**Statement of Activities**  
**St. Charles Council on Aging, Inc.**  
**Hahnville, Louisiana**  
**For the year ended 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	Total Governmental Activities
<b>Governmental Activities</b>						
<b>Health, Welfare &amp; Social Services:</b>						
Supportive Services:						
Transportation of the Elderly	\$ 223,391	\$ 130,347	\$ 0	\$ 50,816	\$ 0	\$ (302,922)
Homemaker	115,989	0	0	8,067	0	(107,922)
Information and Assistance	72,545	52,979	0	5,008	0	(120,516)
Legal Assistance	5,130	0	0	2,925	0	(2,205)
Material Aid	17,005	0	0	1,174	0	(15,831)
Medical Alert	1,457	0	0	100	0	(1,357)
Personal Care	110,233	0	0	7,610	0	(102,623)
Recreation	7,206	4,955	0	0	0	(12,161)
Telephoning	23,976	17,511	0	1,655	0	(39,832)
Nutrition Services:						
Congregate Meals	5,562	1,488	0	50,005	0	42,955
Home Delivered Meals - elderly (over 60)	642,209	209,471	0	212,219	0	(639,461)
Home Delivered Meals - nonelderly (under 60)	13,932	4,553	0	9,500	0	(8,985)
Disease Prevention and Health Promotion	1,082	0	0	4,052	0	2,970
Family Caregiver Support	23,795	947	0	30,785	0	6,043
Senior Citizen Center Operations	69,617	0	0	49,802	42,720	22,905
Transportation Services - Non Elderly	16,968	9,323	0	22,500	0	(3,791)
Other Senior Citizen Activities	3,000	2,064	0	1,200	0	(3,864)
<b>Administration</b>	453,049	(433,638)	0	19,411	0	0
Total governmental activities	\$ 1,806,146	\$ 0	\$ 0	\$ 476,829	\$ 42,720	(1,286,597)
General Revenues:						
Property taxes, net of intergovernmental expenses withheld (\$101,723)					2,822,822	
Grants and contributions not restricted to specific programs					113,173	
Interest income					3,993	
Miscellaneous income					10,517	
Total General Revenues					2,950,505	
Increase (Decrease) in net position						1,663,908
Net Position - Beginning of the Year						3,222,195
Net Position - End of the Year						\$ 4,886,103

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

## FUND FINANCIAL STATEMENTS

**Fund Balance Sheet  
Governmental Funds**

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
June 30, 2021**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 3,373,173	\$ 29,262	\$ 1,972	\$ 33,151	\$ 6,148	\$ 3,443,706
Property tax receivable	129,100	0	0	0	0	129,100
Receivable from GOEA	1,200	0	0	0	0	1,200
Other receivables	4,302	0	0	0	0	4,302
Prepaid expenditures	8,380	0	0	0	0	8,380
Total Assets	<u>\$ 3,516,155</u>	<u>\$ 29,262</u>	<u>\$ 1,972</u>	<u>\$ 33,151</u>	<u>\$ 6,148</u>	<u>\$ 3,586,688</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 1,361	\$ 27,921	\$ 1,962	\$ 31,752	\$ 6,142	\$ 69,138
Accrued payroll taxes	140	1,341	10	1,399	6	2,896
Total Liabilities	<u>1,501</u>	<u>29,262</u>	<u>1,972</u>	<u>33,151</u>	<u>6,148</u>	<u>72,034</u>
<b>Fund Balances</b>						
Nonspendable - prepaid expenditures	8,380	0	0	0	0	8,380
Unassigned	3,506,274	0	0	0	0	3,506,274
Total Fund Balances	<u>3,514,654</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,514,654</u>
Total Liabilities and Fund Balances	<u>\$ 3,516,155</u>	<u>\$ 29,262</u>	<u>\$ 1,972</u>	<u>\$ 33,151</u>	<u>\$ 6,148</u>	
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>						
- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds						(6,684)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						<u>1,378,133</u>
<b>Net Position of Governmental Activities</b>						<u>\$ 4,886,103</u>

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. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
For the year ended June 30, 2021**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
<b><u>REVENUES</u></b>						
Property Taxes	\$ 2,924,544	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,924,544
Intergovernmental	131,524	76,960	46,042	177,713	84,639	516,878
Public Support (Restricted)	32,000	396	3,963	34,506	0	70,865
Public Support (Unrestricted)	2,259	0	0	0	0	2,259
Interest Income	3,993	0	0	0	0	3,993
Miscellaneous	10,517	0	0	0	0	10,517
<b>Total revenues</b>	<b>3,104,837</b>	<b>77,356</b>	<b>50,005</b>	<b>212,219</b>	<b>84,639</b>	<b>3,529,056</b>
<b><u>EXPENDITURES</u></b>						
<b>Health, Welfare, &amp; Social Services:</b>						
Current:						
Personnel	37,257	269,385	2,549	298,694	1,466	609,351
Fringe	4,940	42,576	253	31,589	321	79,679
Travel	23	133	1	139	1	297
Operating Services	21,307	111,719	618	135,341	21,332	290,317
Operating Supplies	22,687	52,369	118	30,143	75	105,392
Other Costs	1,487	6,717	42	7,757	27	16,030
Full Service Contracts	0	232,808	0	0	23,500	256,308
Meals	7,312	0	1,927	336,362	0	345,601
Capital Outlay	1,032,964	0	0	0	0	1,032,964
Intergovernmental	101,723	0	0	0	0	101,723
<b>Total expenditures</b>	<b>1,229,700</b>	<b>715,707</b>	<b>5,508</b>	<b>840,025</b>	<b>46,722</b>	<b>2,837,662</b>
Excess of revenues over (under) expenditures	1,875,137	(638,351)	44,497	(627,806)	37,917	691,394
<b><u>OTHER FINANCING SOURCES (USES)</u></b>						
Operating transfers in	0	659,328	0	627,806	4,032	1,291,166
Operating transfers out	(1,183,743)	(20,977)	(44,497)	0	(41,949)	(1,291,166)
<b>Total other financing sources (uses)</b>	<b>(1,183,743)</b>	<b>638,351</b>	<b>(44,497)</b>	<b>627,806</b>	<b>(37,917)</b>	<b>0</b>
Net increase (decrease) in fund balances	691,394	0	0	0	0	691,394
<b><u>FUND BALANCE (DEFICIT)</u></b>						
Beginning of year	2,823,260	0	0	0	0	2,823,260
End of year	\$ 3,514,654	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,514,654

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. Charles Council on Aging, Inc.**

**Hahnville, Louisiana**

**For the year ended June 30, 2021**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 691,394
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Capital Outlay expenditures (\$1,032,964) exceeded Depreciation expense (\$108,082) this year.</p>	
	924,882
<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 parcel of land. Instead of charging the Council full value, the seller made a noncash donation of \$42,720 of the gross sales price.</p>	
	42,720
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Decrease in compensated absences payable	<u>4,912</u>
Increase (Decrease) of Net Position of Governmental Activities	<u><u>\$ 1,663,908</u></u>

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

**NOTES TO FINANCIAL STATEMENTS**

**St. Charles Council on Aging, Inc.**  
**Hahnville, Louisiana**  
**June 30, 2021**

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

The accounting and reporting policies of the St. Charles Council on Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow 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. Charles 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; to provide for a 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 when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the parish; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), and other departments of state and local government serving the elderly; and to make recommendations relevant to the planning and delivery of services to the elderly of the parish.

The primary services provided by the Council to the elderly residents of St. Charles Parish include transportation, homemakers, information & assistance, legal assistance, medical alert devices, personal care, outreach, recreation, congregate and home-delivered meals, disease prevention and health promotion, family caregiver support, and operating senior citizen centers. The Council also provides limited transportation services to dialysis patients regardless of age.

**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 to administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before the council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to Louisiana 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. Charles Council on 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 January 31, 1974 and subsequently incorporated on January 12, 1976, under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 13 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. The Council makes efforts to maintain a board of directors whose composition will be representative of the population of St. Charles 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. Charles 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.

Although the St. Charles Council on Aging, Inc. (the Council) works with the St. Charles Parish Council (the Parish) in carrying out some social programs throughout St. Charles Parish, the Parish does not appoint a voting majority of the Council's board and the Parish does not intend to impose its will to affect the operations of the Council. The Parish does not provide directly any of the Council's total revenues; only various in-kind contributions. In addition, the Parish does not assume any specific financial burdens of the Council. As a result, the St. Charles Council on Aging, Inc. is not a component unit of the St. Charles Parish Council.

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

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

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

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

**Government-Wide 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



## Exhibit F - Continued

from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Governmental activities are primarily supported by a property tax and intergovernmental revenues.

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The amounts 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 include 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 costs 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*. GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the administrative grant funds are allocated to the Council's other functions and programs.

In the Statement of Activities, charges for services represent program revenues

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

### **Fund Financial Statements**

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

The daily accounts 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, management elected to include one nonmajor fund (Title III C-1 Fund) as a major fund. The remaining 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:

**General Fund**

**The General Fund** is the general operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs or funding sources that comprise the Council's General Fund:

**Local Programs and Funding**

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

**Local Transportation Program Services - Non-elderly**

The Council provides transportation services to persons, primarily dialysis patients, who are not 60 years old. United Way funds and unrestricted public support are used to pay for these services. During the year 416 units of service were provided under this program. The transportation services provided in this program differ from those provided in the Title III B program in that recipients of these services do not have to be at least 60 years old, which is required of Title III B participants.

**Local Home Delivered Meals Program - Non-elderly Meals**

The Council provides meal delivery services to persons who are not 60 years old, but reside with someone who is at least 60 years old and who is receiving home-delivered meals under the Title III C-2 program. United Way funds and unrestricted public support are used to pay for these services. During the year 2,233 meals were provided under this program.

**PCOA Funding**

Parish Council on Aging (PCOA) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these funds at its discretion in any program provided the program is benefitting people who are at least 60 years old. In FY 2021, the Council received this grant money into its General Fund and management transferred \$100,000 to the Title III B Fund to subsidize that fund's operating expenditures.

**Area Agency Administration (AAA) Funding**

Each fiscal year GOEA provides the Council with funds to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$19,411 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs.

**Supplemental Senior Center Funding**

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. This year the Council received \$10,912.50 of supplemental senior center funding from GOEA. Management can use its discretion as to how to spend this money, as long as the program benefits anyone at least 60 years old. This year management received this money into the Council's General Fund and then transferred it out to the Title III C2 Fund to subsidize the operating costs of

that fund's program services.

### **FTA Funding for Vehicle Acquisition**

The Council acquires vehicles purchased in part with federal funds under the Federal Transit Administration's (FTA) elderly and disabled persons transportation capital assistance program. The Louisiana Department of Transportation and Development (DOTD) coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. This year the Council did not acquired any new vans using FTA grant funds.

### **Medicare Improvement for Patients and Providers Act (MIPPA) Program**

The Council has a MIPPA program that provides educational and enrollment assistance to Medicare eligible people in the community. During the year, the Council hosted 4 outreach/public education & enrollment assistance events. Information about the disease prevention and wellness components of Medicare, LIS and MSP programs was provided to the public by the Council at these events to earn the revenue from this GOEA grant.

### **Recreation**

Recreation is a program whereby the Council provides services to individuals through group activities with the purpose of promoting social interaction and wellbeing. Activities include arts and crafts, bingo and other games, and physical activities. This program activity is funded using only General Fund revenues.

### **Special Revenue Funds**

**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* establish 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 a nonmajor governmental fund.

**Major Special Revenue Funds:**

**Title III-B Fund**

The Title III B Fund is used to account for funds, which are used to provide various types of supportive social services to the elderly. The main source of the revenue forming the basis for this fund is a grant (\$55,983) the Council received from GOEA for *Special Programs for the Aging \_ Title III, Part B\_ Grants for Supportive Services and Senior Centers*. This year the Council also received \$20,977 in CARES Act funds to help offset costs relating to providing Title III B services as a result of the COVID-19 pandemic.

GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units the Council reported to GOEA that it provided during the fiscal year, are as follows:

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	1,161
Transportation for people age 60 or older	5,164
Material Aid	44,253
Medical Alert	63
Personal Care	6,299
Homemaker	6,843
Legal Assistance	78.92
Assisted Transportation	313
Telephoning	2,449

**Title III C-1 Fund**

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout St. Charles Parish. The Council maintains meal sites in Luling and New Sarpy. There were two main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging \_ Title III, Part C-1 \_ Nutrition Services* grant funds (\$46,042) and contributions from those persons who received congregate meals (\$3,963). During the year, the Council reported to GOEA that it provided 604 meals to eligible participants.

**Title III C-2 Fund**

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals and nutrition education to homebound people who are age 60 or older. There were three main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging \_ Title III, Part C-2 \_ Nutrition Services* grant funds (\$55,128); Nutrition Services Incentive Program (NSIP) grant funds (\$58,425); and contributions from those persons who received the home-delivered meals (\$34,506). In addition to the main sources of revenues, the Council received from GOEA \$64,160 in CARES Act grant funds to help provide services relating to the COVID-19 pandemic. The Council reported to GOEA that it provided 101,835 home-delivered meals and 6 units of nutrition education during the year to eligible participants. Any food that is purchased for use in this nutrition program using NSIP funds must be of United States origin or be commodities from the United States Department of Agriculture.

**Nonmajor Special Revenue Funds:**

**Senior Center Fund**

The Senior Center Fund is used to account for the administration of Senior Center program funds (\$49,802) appropriated by the Louisiana Legislature to GOEA, which in turn *passes through* the funds to the Council. The purpose of this program is to provide community service centers at which elderly people can receive congregate social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior centers for St. Charles Parish are located in Luling and New Sarpy. Any grant funds not used to pay for senior center operating costs (\$28,857 this year) were transferred to the Title III C-2 Fund to subsidize the cost of providing home-delivered meals to people who were unable to come to a senior center and receive a meal because of the COVID-19 pandemic.

**Title III D Fund**

The Title III D Fund is used to account for wellness services, which include disease prevention and health promotion activities that are paid for using GOEA funds. The main source of the revenue forming the basis for this fund is a grant (\$4,052) the Council received from GOEA for *Title III, Part D\_ Disease Prevention and Health Promotion Services*. During the year, 121 units of wellness services.

### Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. The main source of the revenue forming the basis for this fund is a grant (\$20,663) the Council received from GOEA for the *Title III, Part E - National Family Caregivers Support Program*. In addition to the primary grant, GOEA provided the Council \$10,122 of CARES Act grant funds to help pay for costs associated with providing services during the COVID-19 pandemic. During the year, the Council reported to GOEA it had provided 1,311 units of in-home respite and 44 units of information and assistance to eligible participants.

**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 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 and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and changes in accrued compensated absences are costs that are not recognized in the governmental funds.

**e. Interfund Activity:**

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

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

**f. Cash:**

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions. Cash is reported at 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. The Council presents restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations. At year-end the Council did not have any restricted cash amounts.

**g. Investments:**

Investments in certificates of deposit are reported at cost because they are *nonparticipating* interest-earning investment contracts as discussed in GASB 31. The term *nonparticipating* means that the investment value does not vary with market interest rate changes. Investments which include securities traded on a national or international exchange are valued based on their last reported sales

price (fair value). Investments that do not have an established market are reported at estimated fair value.

The Council also invests funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates.

The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

**h. Receivables:**

The financial statements will contain an allowance for uncollectible property (ad valorem) tax if management estimates that some of the tax owed the Council will not be collected. When an allowance is considered appropriate by management, the amount will be applied to reduce the property tax receivable amount presented on the Statement of Net Position (Exhibit A) and the Balance Sheet (Exhibit C). Management has estimated all the property tax will be collected, so no amount was provided for as an allowance.

Management estimates that other receivables presented will be collected in full. However, if management becomes aware of information that would change its assessment about the collectability of these other receivables, management would write off the receivables as bad debts at that time.

**i. Prepaid Expenses/Expenditures:**

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. These 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 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 assets 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 not currently available for expenditure.

**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

## Exhibit F - Continued

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:

Computer Equipment	5 years
Leasehold Improvements	20 years
Nutrition Equipment	10 years
Vehicles	5 years
Other Equipment	6 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. **Unpaid Compensated Absences:**

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to accruing (earning) and using vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the Statement of Net Position.

The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this

total for social security and Medicare taxes.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result, no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The differences in the methods of accruing compensated absences create a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the government-wide financial statements relative to sick leave.

**l. Advances from Funding Agency:**

Advances from funding agency represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. At year-end, the Council had no advances from GOEA or any other funding agency.

**m. Deferred Revenue:**

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (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 revenue at year-end.

Deferred property tax revenues arise when property taxes are expected to be received but not within 60 days after the end of the Council's fiscal year in which the taxes are 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 amount this year as deferred property tax revenue.

**n. Deferred Outflows and Inflows of Resources**

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

**o. Net Position in the Government-wide Financial Statements:**

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

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

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.

- *Restricted net position* - This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

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

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

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable because these items are not expected to be converted to cash.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of resources and are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources

## Exhibit F - Continued

have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

- *Assigned:* This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned fund balance as of year-end.
- *Unassigned:* This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

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

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

### r. **Allocation of Indirect Expenses:**

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the



Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. Occasionally, there are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations or management does not allocate any indirect costs because of the immateriality of the amounts involved.

**s. Elimination and Reclassifications:**

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

**t. 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 in the control of management does not necessarily mean that management did control the transaction. It simply means that management could control it. Special items are reported separately in both the government-wide statement of activities and the governmental fund statements of revenues, expenditures, and changes in fund balances. The Council had no special items to report this year.

**Note 2 - Revenue Recognition**

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

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

**Note 3 - Revenue Recognition - Property Tax**

The Council receives funds from two property tax assessments for the purpose of operating and maintaining programs for the elderly in St. Charles Parish. The initial property tax of .98 mills was renewed for a ten-year period, ending with the year 2027, by the voters of St. Charles Parish on December 10, 2016. The second millage equal to .8 mills was voted on and approved by the voters of St. Charles Parish on November 6, 2018.

The taxes are 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 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 property tax roll was \$1,802,324,983. After applying homestead exemptions of \$101,353,563, the net assessed value upon which the Council's property tax was computed was \$1,700,971,420. These assessed values have been computed after property tax abatements. Tax abatements are widely used by state and local governments to primarily encourage economic development. For financial reporting purposes, a tax abatement occurs when there is an agreement between a government and an individual or entity in which the government agrees to forgo tax revenues and the individual or entity promises to subsequently take a specific action that will contribute to economic development or benefits the government or its citizens. This year the St. Charles Parish Government (SCPG) entered into various property tax abatements which resulted in the Council receiving \$183,873 less in property tax revenues than if the abatements did not exist.

The maximum amount the Council may legally elect to assess property owners each year is 1.78 mills (.98 mill from the first millage and .8 mill from the second), however, for this fiscal year only .94 mills of the first .98 mills and .78 mills of the second .80 mills were assessed. Management initially estimated the gross amount of property tax payable to the Council for this fiscal year to be \$2,926,108. However, after the estimate was made, the Council was notified by the Sheriff's office of adjustments for supplements, reductions, and additional adjudicated/exempt taxes. As a result of the adjustments, the Council's gross property tax revenue relating to the current year's property tax was changed to \$2,916,120. In addition, the Council collected \$8,424 of prior year property taxes previously written off. As a result, the adjusted property tax revenue presented in this year's financial statements is \$2,924,544.

## Exhibit F - Continued

Property taxes are levied on November 15 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. Charles Parish Sheriff acts as the collection agent for the Parish's property taxes. The tax sale date for St. Charles Parish for the 2020 tax assessment was June 2, 2021 and the tax liens were recorded June 25, 2021.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed (November each year). 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 accrues as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. The Council did not present any amounts this year as deferred property tax revenue because management estimates this amount only to be about \$2,837, which is immaterial to these financial statements.

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 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have been presented at their gross amount less any allowance for uncollectible amounts. In contrast, on the government-wide Statement of Activities (Exhibit B), property tax revenues have been presented net of any uncollectible amounts and intergovernmental expenses withheld by the Sheriff or the Parish before remitting the tax revenue to the Council. For FY 2021 the intergovernmental expenses totaled \$101,723 and consisted of (1) *on-behalf payments for fringe benefits* (\$96,996 - also see Note 11), (2) insurance premiums (\$4,103) on buildings used by the Council but owned by the Parish, and (3) indirect costs charged by the Parish (\$624). In contrast, for purposes of Exhibit D, intergovernmental expenditures of \$101,723 have been presented as a separate line item within the expenditures section of that statement rather than being netted against the gross property tax revenue.

**Note 4 - Cash and Investments**

The Council's operating account is a consolidated bank account, which is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management by allowing those funds with available cash resources to temporarily cover any negative cash balances in other funds.

At year-end, all of the Council's bank balances (checking account plus certificates of deposits) were secured 100% by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. The Council's policy is to follow state law wherein all of its bank deposits are required to be covered with FDIC insurance or properly collateralized.

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

During the year, the Council might accumulate cash in excess of its immediate needs. To maximize its interest income, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, at year-end, the Council's management has invested \$250,000 in a certificate of deposit and \$3,058,071 in the Louisiana Asset Management Pool (LAMP). Both types of investments comply with state law and the Council's investment policy.

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

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

## Exhibit F - Continued

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

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 53 days and the WAM (to final) is 82 days as of June 30, 2021.
- Foreign currency risk: Not applicable to 2a7-like pools.

**Exhibit F - Continued**

At June 30, 2021, the Council's cash and investments consisted of the following:

<u>Cash &amp; Investments</u>	<u>Cost</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:				
Checking account - operating	\$ 135,435	None	Demand	Category 1
Petty Cash	200	None	N/A	None
Total Cash	135,635			
Investments:				
Certificates of Deposit:				
First National Bank	250,000	0.40%	2/17/2022	Category 1
LAMP	3,058,071	0.40%	Demand	Not Required
Total Investments	3,308,071			
Total Cash & Investments	\$ 3,443,706			
Unrestricted Purpose	\$ 3,443,706			
Restricted Purpose	-			
Total Cash & Investments	\$ 3,443,706			

Cost approximates fair value in the above table.

The certificate of deposit represents a nonparticipating interest-earning contract as described in GASB Statement 31; accordingly, it has been reported at cost in these financial statements. The maturity date of the certificate of deposit is before June 30, 2022 therefore it is presented as a short-term investment on the Statement of Net Position.

**Note 5 - Receivable from GOEA**

At June 30, 2021, all amounts under government grants and contracts had been remitted to the Council, except for \$1,200 under the MIPPA contract.

**Note 6 - Prepaid Expenditures and Expenses**

At year-end, prepaid expenditures and prepaid expenses consisted of the following:

<u>Nature of Prepaid</u>	<u>Amounts</u>
Insurance Premiums	\$ 596
Prepaid Training Classes	113
July Rent	2,199
Worker's Comp Premiums	5,472
Total	<u>\$ 8,380</u>

**Note 7 - Changes in Capital Assets**

A summary of changes in depreciable capital assets is as follows:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 30, 2021</u>
Vehicles	\$ 484,494	\$ 66,722	\$ 0	\$ 551,216
Equipment	45,901	10,830	(11,303)	45,428
Leasehold improvements	375,633	265,422	0	641,055
	<u>906,028</u>	<u>342,974</u>	<u>(11,303)</u>	<u>1,237,699</u>
Less: Accumulated Depreciation	<u>(495,497)</u>	<u>(108,082)</u>	<u>11,303</u>	<u>(592,276)</u>
Total	<u>\$ 410,531</u>	<u>\$ 234,892</u>	<u>\$ 0</u>	<u>\$ 645,423</u>

All of the Council's fixed assets are subject to depreciation.

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

The Council also acquired land during the year and management plans to build a multi-purpose facility on it in future years. The total cost of the land was \$732,710, however, the Council only paid \$689,990 in cash to acquire it. The seller gave the Council an in-kind donation "credit" of \$42,720 towards the sales price at the time of closing.

Depreciation was charged to governmental activities as follows:

Supportive Services:		
Transportation for the elderly	\$	44,908
Nutrition Services:		
Home-delivered meals		2,752
Senior citizen center operations		30,625
Transportation of the nonelderly		3,411
Administration		26,386
		<u>26,386</u>
Total Depreciation Expense	\$	<u>108,082</u>

The depreciation expense associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts are charged as direct expenses to their related functions on the Statement of Activities.

**Note 8 - Accrued Compensated Absences**

For purposes of the Statement of Net Position, the Council has presented all of its accumulated unpaid vacation leave as a current liability. This is because vested amounts will all be used before the end of the next fiscal year. In contrast, no liability for vacation leave has been presented in the Balance Sheet of the fund financial statements because vacation leave does not become a liability until the employee has made a request to use it or terminates employment with the Council. The following is a schedule of changes that occurred in the Council's vacation leave account during the fiscal year:

	<u>Balance</u> <u>6/30/2020</u>	<u>Net Increase</u> <u>(Decrease)</u>	<u>Balance</u> <u>6/30/2021</u>
Accumulated Unpaid Leave	<u>\$ 11,596</u>	<u>\$ (4,912)</u>	<u>\$ 6,684</u>

**Note 9 - In-Kind Contributions**

The Council received various in-kind contributions during the year. The senior center meal site locations in Luling and New Sarpy were provided without rental charge. However, the Council is responsible for paying the utility bill at these locations. If the



## Exhibit F - Continued

Council had to pay rent for these locations, management estimates that each location would have cost about \$6,000 annually.

During the year the St. Charles Parish Sheriff and TRIAD distributed 750 informational flyers to the elderly as a crime prevention service provided by the Council. Management has estimated the value of this service to be \$1,095.

The Council is a distribution site for *Food for Seniors* where commodities (food boxes) are passed out to the elderly. The commodities are not actually donated to the Council as an in-kind contribution. The Council coordinates the distribution and provides the manpower to help another local non-profit entity distribute the food boxes. During the year the Council distributed 1,214 food boxes. The estimated value of the food within each box was \$75.64 (\$91,827 = total for all boxes).

Occasionally, the Council transports people that require assistance to make the trip. In such cases, the Council provides the transportation but cannot provide a person to assist the client being transported. The person who assists the client being transported is counted as in-kind support. Management estimates that if it had to pay these helpers, the total annual cost would have been \$10,626 (313 units at \$33.95/unit).

No amounts have been recorded in these financial statements because accounting principles for governmental entities do not require the valuation and recording of in-kind contributions.

### **Note 10 - Fund Balances - Fund Financial Statements**

At the end of the last fiscal year, the General Fund had restricted funds for the New Sarpy Senior Center (\$5,500). This money was donated by Valero in February 2020 and was to be used for renovations at the center during FY 21. During this fiscal year, \$265,422 of renovations were made to the New Sarpy center and the restricted funds were consumed as part of the cost of the renovations.

At year-end the Council had no balances remaining in special revenue funds. Usually, 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 composition of the fund balance components of the General Fund are presented separately on Exhibit C.

**Note 11 - On-Behalf Payments for Fringe Benefits (public retirement systems)**

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (RS 11:82) requires the Council to bear a pro-rata share of the pension expense relating to state and statewide public retirement systems. The Council's pro-rata share of the required contribution was \$96,996 that was withheld by the St. Charles 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 taxes may never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

The following list presents the retirement systems that were funded by \$96,996 of the Council's property tax revenues this year:

Assessor's retirement fund	\$ 9,251
Clerks' of Court Retirement & Relief Fund	8,731
District Attorney's Retirement System	6,985
Municipal Employee's Retirement System	8,731
Parochial Employees' Retirement System	8,731
Registrar of Voters Employees' Retirement	2,183
Sheriff's Pension & Relief Fund	17,461
Teachers' Retirement System	34,923
	<u>\$ 96,996</u>

**Note 12 - Board of Directors' Compensation**

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

**Note 13 - 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 14 - Lease and Rental Commitments**

**Lease #1**

The Council leases two facilities from the St. Charles Parish School Board (the Lessor) that consist of administrative offices and a staging area for home-delivered meals located at 626 Pine Street, Hahnville, Louisiana. The terms of this lease required monthly payments of \$2,312.56 per month for the first six months of the fiscal year and then the monthly payments changed to \$2,199.11 for the last six months. The \$2,199.11 per month payment will continue until the lease is amended or terminated. The Council is responsible for cleaning the facilities and making all repairs to them except for repairs to the roof and building shell. The Lessor is responsible for the utility bills and the insurance covering the facilities. The lease is a continuous lease, which may be terminated upon a sixty-day notice by either party. For the fiscal year, rent expenditures were \$27,070 for this lease.

**Lease #2**

The Council signed a 60-month lease agreement with Xerox on February 20, 2017 that requires the Council to pay \$348.31 per month plus additional monthly fees for each print starting March 1, 2017. The total amount paid by the Council for the lease this year was \$4,180. In addition, the Council had to pay \$4,881 for usage charges and a property tax relating to this copy machine.

The copy machine lease costs are allocated to the various programs as an indirect expense. The minimum future lease payments under this lease as of June 30, 2021 for each year until the lease expires, and in the aggregate, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	<u>2,786</u>
Total future minimum lease payments	<u><u>\$ 2,786</u></u>

**Lease #3**

The Council entered into a 36-month lease agreement with Cox on March 11, 2019 that requires the Council to pay \$472.89 per month starting May 1, 2019. The lease is for telephone services including the phone equipment. The total amount paid by the Council for the lease this year was \$5,675. At the end of the lease the Council will have to return the telephone system or renegotiate terms. The minimum future lease payments under the lease as of June 30, 2021 for each year until the lease expires, and in the aggregate, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2022	<u>4,729</u>
Total future minimum lease payments	<u><u>\$ 4,729</u></u>

**Note 15 - Judgments, Claims, and Similar Contingencies**

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

**Note 16 - 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, funds received during the year and the collectability of any related receivable at year-end may be impaired. In management's opinion, there are not any contingent liabilities relating to noncompliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

**Note 17 - Risk Management**

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

The Council's management has not purchased commercial insurance or made provisions 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 offers health insurance to all employees who work at least thirty (30) hours per week. The Council paid 65% of the total amount of the health insurance for each employee who elected to participate in the health insurance benefit. The Council's portion (cost) for its portion of the health insurance this year was \$30,527, whereas last year it was \$27,998.

**Note 18 - Deferred Compensation Plan**

The Council and its qualified employees participate in the Louisiana Deferred Compensation Plan (the Plan), which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. Empower Retirement, LLC administers the plan. The Plan is available to all Council employees. Participation is not mandatory. The plan permits participating employees to defer up to the lesser of (1) 100% of their taxable compensation or (2) \$19,500 (\$26,000 if over 50 years of age) per year. In addition, the Council will *match* 15% of the amount the participant defers. All amounts contributed to the plan by the employees and the Council are non-forfeitable thereby making them 100% vested by the employees. During the year, \$21,060 was contributed to the Plan via employee salary deferrals. The Council contributed \$3,159 as its matching share. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. The Council does not guarantee the benefits of any amounts contributed to the Plan.

**Note 19 - Economic Dependency**

The Council receives the majority of its revenue from grants administered through the Governor's Office of Elderly Affairs (GOEA) and property taxes from St. Charles Parish. The grant amounts are appropriated each year by the federal and state

governments. The St. Charles Parish Assessor assesses the property taxes each year. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Also, if the property in St. Charles Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount the Council receives annually from the property tax could be affected adversely. Management is not aware of any actions or events that will adversely affect the amount of funds the Council will receive next year relating to amounts it usually receives from GOEA or the property tax.

**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**

Because the Council operates most of its programs under cost reimbursement type grants, some programs have 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. When interfund loans are present, they are eliminated as a part of the consolidation process in preparing the Government-wide Financial Statements. At year-end, the Council did not have any outstanding interfund receivables or payables.

**Note 22 - Interfund Transfers**

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

	<b>Operating Transfers</b>	
	<b>In From</b>	<b>Out To</b>
<b>General Fund:</b>		
Title III B Fund	\$ 0	\$ 659,328
Title III C-2 Fund	0	520,383
Nonmajor Funds: Title III E Fund	0	4,032
Total General Fund	0	1,183,743
<b>Title III B Fund:</b>		
General Fund - Local funds	559,328	0
General Fund - PCOA grant	100,000	0
Title III C-2 Fund	0	20,977
Total Title III B Fund	659,328	20,977
<b>Title III C-1 Fund:</b>		
Title III C-2 Fund	0	44,497
Total Title III C-1 Fund	0	44,497
<b>Title III C-2 Fund:</b>		
General Fund - Local funds	520,383	0
Title III B Fund	20,977	0
Title III C-1 Fund	44,497	0
Nonmajor Funds in the Aggregate	41,949	0
Total Title III C-2 Fund	627,806	0
<b>Nonmajor Fund in the Aggregate:</b>		
General Fund - Local funds	4,032	0
Title III C-2 Fund from Title III D Fund	0	2,970
Title III C-2 Fund from Title III E Fund	0	10,122
Title III C-2 Fund from Senior Center	0	28,857
Total Nonmajor Funds in the Aggregate	4,032	41,949
<b>Total Transfers</b>	<b>\$ 1,291,166</b>	<b>\$ 1,291,166</b>

Transfers are used to (1) 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 (2) shift unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

**Note 23 - Related Party Transactions**

There were no related party transactions during the year.

**Note 24 - Purchase Commitments**

The Council has no significant purchase commitments at year-end.

**Note 25 - Subsequent Events**

Management has evaluated subsequent events through December 10, 2021, 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. Charles Parish.

The majority of damages sustained by the St. Charles Parish Council on Aging, Inc. were to its business office, Hahnville Senior Center, and vehicles. No estimates of total damages can be made at this time, and the financial statements do not reflect any losses caused by the hurricane.



**REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION BY GASB 34**

**Budgetary Comparison Schedule - General Fund**

**St. Charles Council on Aging, Inc.**

**Hahnville, Louisiana**

**For the year ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Property Taxes	\$ 2,760,509	\$ 2,924,812	\$ 2,924,544	\$ (268)
Intergovernmental:				
GOEA - PCOA grant	100,000	100,000	100,000	0
GOEA - AAA grant	19,411	19,411	19,411	0
GOEA - MIPPA	3,650	3,250	1,200	(2,050)
GOEA - Supplemental Senior Center grant 1	3,100	3,100	3,100	0
GOEA - Supplemental Senior Center grant 2	7,813	7,813	7,813	0
Public Support:				
Restricted - United Way for transportation	26,500	22,500	22,500	0
Restricted - United Way for meals under 60	11,500	9,500	9,500	0
Unrestricted - general public & grants	1,150	1,150	2,259	1,109
Interest Income	30,808	2,953	3,993	1,040
Miscellaneous	9,500	10,751	10,517	(234)
<b>Total Revenues</b>	<b>2,973,941</b>	<b>3,105,240</b>	<b>3,104,837</b>	<b>(403)</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	164,651	37,655	37,257	398
Fringe	26,612	5,014	4,940	74
Travel	88	18	23	(5)
Operating Services	48,765	20,375	21,307	(932)
Operating Supplies	11,311	4,779	22,687	(17,908)
Other Costs	25,228	9,437	1,487	7,950
Meals -nonelderly (under 60)	8,000	7,000	7,312	(312)
Full Service Contracts	0	0	0	0
Capital Outlay	998,280	1,029,790	1,032,964	(3,174)
Intergovernmental	93,797	100,412	101,723	(1,311)
<b>Total Expenditures</b>	<b>1,376,732</b>	<b>1,214,480</b>	<b>1,229,700</b>	<b>(15,220)</b>
Excess of revenues over expenditures	1,597,209	1,890,760	1,875,137	(15,623)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(1,539,422)	(1,262,808)	(1,183,743)	79,065
Transfers in	0	0	0	0
Proceeds from sale of vehicles	6,000	0	0	0
<b>Total other financing sources (uses)</b>	<b>(1,533,422)</b>	<b>(1,262,808)</b>	<b>(1,183,743)</b>	<b>79,065</b>
Net increase (decrease) in fund balance	\$ 63,787	\$ 627,952	691,394	\$ 63,442
<b><u>FUND BALANCE</u></b>				
Beginning of year			2,823,260	
End of year			\$ 3,514,654	

See notes to required supplementary information.

**Budgetary Comparison Schedule - Title III B Fund**

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
For the year ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 55,983	\$ 76,960	\$ 76,960	\$ 0
Public Support (Restricted) - Client Contributions	812	200	396	196
Total Revenues	56,795	77,160	77,356	196
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	314,266	273,894	269,385	4,509
Fringe	50,793	36,469	42,576	(6,107)
Travel	588	87	133	(46)
Operating Services	122,637	111,828	111,719	109
Operating Supplies	52,354	52,665	52,369	296
Other Costs	6,392	6,474	6,717	(243)
Full Service Contracts	273,655	234,318	232,808	1,510
Total Expenditures	820,685	715,735	715,707	28
Excess of expenditures over revenues	(763,890)	(638,575)	(638,351)	224
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	763,890	638,575	659,328	20,753
Transfers out	0	0	(20,977)	(20,977)
Total other financing sources (uses)	763,890	638,575	638,351	(224)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b><u>FUND BALANCE</u></b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

**Budgetary Comparison Schedule - Title III C-1 Fund**

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
For the year ended June 30, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 46,042	\$ 46,042	\$ 46,042	\$ 0
Public Support (Restricted) - Client Contributions	5,681	3,900	3,963	63
Total Revenues	51,723	49,942	50,005	63
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	78,838	1,608	2,549	(941)
Fringe	12,741	214	253	(39)
Travel	25	0	1	(1)
Operating Services	18,546	407	618	(211)
Operating Supplies	3,596	67	118	(51)
Other Costs	2,674	27	42	(15)
Meals	30,898	3,855	1,927	1,928
Total Expenditures	147,318	6,178	5,508	670
Excess of expenditures over revenues	(95,595)	43,764	44,497	733
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	95,595	0	0	0
Transfers out	0	(43,764)	(44,497)	
Total other financing sources (uses)	95,595	(43,764)	(44,497)	0
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 733
<b><u>FUND BALANCE</u></b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

**Budgetary Comparison Schedule - Title III C-2 Fund**

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
For the year ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u> <u>(Amended)</u>	<u>Modified</u> <u>Accrual Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 55,128	\$ 55,128	\$ 55,128	\$ 0
NSIP grant	58,425	58,425	58,425	0
Cares Act Grants	0	50,346	64,160	13,814
Public Support (Restricted):				
Client contributions	24,608	29,000	34,506	5,506
Total Revenues	138,161	192,899	212,219	19,320
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	257,836	310,371	298,694	11,677
Fringe	41,672	41,326	31,589	9,737
Travel	98	95	139	(44)
Operating Services	124,665	139,709	135,341	4,368
Operating Supplies	29,854	22,721	30,143	(7,422)
Other Costs	9,011	10,044	7,757	2,287
Meals	302,559	373,985	336,362	37,623
Subcontracts	29,160	0	0	0
Total Expenditures	794,855	898,251	840,025	58,226
Excess of expenditures over revenues	(656,694)	(705,352)	(627,806)	77,546
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	656,694	705,352	627,806	(77,546)
Total other financing sources (uses)	656,694	705,352	627,806	(77,546)
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b><u>FUND BALANCE</u></b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**St. Charles Council on Aging, Inc.**  
**Hahnville, 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 Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on grants from 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.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- The Council's Executive Director and Finance Administrator prepare a proposed budget based on the revenue and expenditure projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors generally reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year. The original FY 2021 budget was approved at a board meeting on June 25, 2020.
- The adopted budget is forwarded to GOEA for final compliance approval.

- 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, the Council 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 federal matching programs. The *match* might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, 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 amended the Council's budget once at a board meeting on April 22, 2021, using a procedure similar to the one used to approve the original 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 GOEA for changes relating to funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot legally 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 General Fund activities may not be budgeted, particularly if they are deemed to be immaterial by management.

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

Management originally budgeted an operating surplus of \$63,787 in the Council's General Fund. However, as the year progressed and actual data became available, management amended the budget to forecast an operating surplus of \$627,952.



**SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Nonmajor Governmental Funds**

**St. Charles Council on Aging, Inc.**

**Hahnville, Louisiana**

**For the year ended June 30, 2021**

	<u>Title III D Fund</u>	<u>Title III E Fund</u>	<u>Senior Center Fund</u>	<u>Totals</u>
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 4,052	\$ 30,785	\$ 49,802	\$ 84,639
Public Support (Restricted) - Client Contributions	0	0	0	0
Total revenues	<u>4,052</u>	<u>30,785</u>	<u>49,802</u>	<u>84,639</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	0	1,466	0	1,466
Fringe	0	321	0	321
Travel	0	1	0	1
Operating Services	0	387	20,945	21,332
Operating Supplies	0	75	0	75
Other Costs	0	27	0	27
Full Service Contracts	1,082	22,418	0	23,500
Meals	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>1,082</u>	<u>24,695</u>	<u>20,945</u>	<u>46,722</u>
Excess of revenues over (under) expenditures	<u>2,970</u>	<u>6,090</u>	<u>28,857</u>	<u>37,917</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	0	4,032	0	4,032
Operating transfers out	<u>(2,970)</u>	<u>(10,122)</u>	<u>(28,857)</u>	<u>(41,949)</u>
Total other financing sources (uses)	<u>(2,970)</u>	<u>(6,090)</u>	<u>(28,857)</u>	<u>(37,917)</u>
Net increase (decrease) in fund balances	0	0	0	0
<b><u>FUND BALANCE (DEFICIT)</u></b>				
Beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Comparative Schedule of Capital Assets and  
Changes in Capital Assets**

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana  
For the year ended June 30, 2021**

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
<b><u>Capital Assets</u></b>				
Land	\$ 0	\$ 732,710	\$ 0	\$ 732,710
Vehicles	484,494	66,722	0	551,216
Equipment	45,901	10,830	(11,303)	45,428
Leasehold Improvements	375,633	265,422	0	641,055
Total capital assets	<u>\$ 906,028</u>	<u>\$ 1,075,684</u>	<u>\$ (11,303)</u>	<u>\$ 1,970,409</u>
<b><u>Investment in Capital Assets</u></b>				
Property acquired with funds from:				
DOTD	\$ 1,269	\$ 0	\$ (1,269)	\$ 0
FTA	255,356	0	0	255,356
General Fund (Local money)	599,803	1,032,964	(10,034)	1,622,733
Noncash donation by seller of land	0	42,720	0	42,720
PCOA - regular grants	6,286	0	0	6,286
PCOA - Act 55 grant	42,188	0	0	42,188
Senior Center	1,126	0	0	1,126
Total investment in capital assets	<u>\$ 906,028</u>	<u>\$ 1,075,684</u>	<u>\$ (11,303)</u>	<u>\$ 1,970,409</u>

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW**

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

**St. Charles Council on Aging, Inc.  
Hahnville, Louisiana**

**For the year ended June 30, 2021**

**Executive Director's (Agency Head) Name: April Keller**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 73,016.80
Benefits-insurance (health and life)	6,941.12
Benefits-retirement - deferred compensation match	2,340.00
Benefits-other (describe) - FICA & LUTA	5,478.26
Benefits-other (describe) - worker's compensation	1,713.65
Reimbursements for using personal car for Council business	-
Travel to conferences	222.79
Registration fees	200.00
Other - Drug Screening	-
<b>Total</b>	<b>\$ 89,912.62</b>



**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. Charles Council on Aging, Inc.  
Hahnville, 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. Charles Council on Aging, Hahnville, 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 December 10, 2021.

**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.

*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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all

deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### *Compliance and Other Matters*

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

### **Purpose of this Report**

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



T. S. Kearns & Co., CPA  
Thibodaux, Louisiana  
December 10, 2021

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**St. Charles Council on Aging, Inc.**  
**Hahnville, Louisiana**  
**For the Year Ended June 30, 2021**

### 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? No  
•Significant deficiencies identified? None were reported
- Noncompliance material to the financial statements identified? No
- 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



## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

**St. Charles Council on Aging, Inc.**  
**Hahnville, Louisiana**  
**For the year ended June 30, 2021**

### **Financial Statement Findings**

The auditor did not report any financial statement findings in his audit of the Council's FY 2020 financial statements last year. Therefore, management has nothing to report in this section.

### **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 auditor to report any findings with respect to major federal award programs.

### **Management Letter**

None was issued last year.

## MANAGEMENT'S CORRECTIVE ACTION PLAN

**St. Charles Council on Aging, Inc.**

**Hahnville, Louisiana**

**For the Year Ended June 30, 2021**

**To the following oversight agencies for audit:**

**State:** Legislative Auditor of the State of Louisiana; and  
Governor's Office of Elderly Affairs.

**Name and address of independent public accounting firm:** T. S. Kearns & Co., CPA, PC, 164  
West Main Street, Thibodaux, LA 70301

**Audit period:** For the year ended June 30, 2021.

The auditor did not report any findings relating to the financial statements or federal awards. Accordingly, there was not any need for management to have a corrective action plan this year in response to findings or other matters.

If you have any questions regarding this corrective action plan, please call the Council's Executive Director, April Keller, at (985) 783-6683.