

**ST. TAMMANY COUNCIL ON AGING, INC.
COVINGTON, LOUISIANA**

ANNUAL FINANCIAL STATEMENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

St. Tammany Council on Aging, Inc.
Covington, Louisiana
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Covington, Louisiana

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Independent Auditor's Report

To the Board of Directors
St. Tammany Council on Aging, Inc.
Covington, 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. Tammany Council on Aging, Inc., as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the St. Tammany Council on Aging, Inc.'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 St. Tammany Council on Aging, Inc., as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and budgetary comparison information on pages 38 through 42 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 Information

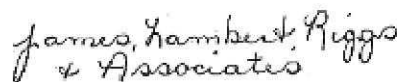
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Council on Aging, Inc.'s basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; the Schedule of Compensation, Benefits, and Other Payments to the Agency Head; and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds; the Comparative Schedule of Capital Assets and Changes in Capital Assets; the Schedule of Compensation, Benefits, and Other Payments to the Agency Head; and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements as a whole.

St. Tammany Council on Aging, Inc.
February 10, 2021

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2021, on our consideration of the St. Tammany Council on Aging, Inc.'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 St. Tammany Council on Aging, Inc.'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 St. Tammany Council on Aging, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James, Lambert, Riggs and Associates, Inc.
Hammond, Louisiana

February 10, 2021

Required Supplementary Information (Part I):

Management's Discussion and Analysis

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis
For the Year Ended June 30, 2020

Introduction

As management of the St. Tammany Council on the Aging, Inc. (the "Council"), we offer readers of the Council's financial statements the management's discussion and analysis (the "MD&A") of the financial activities of the Council, as of and for the year ended June 30, 2020. This section is designed to assist the reader in focusing on significant financial issues, provide an overview of the Council's financial activity, identify changes in the Council's financial position (its ability to address the next and subsequent year challenges), and identify individual program issues or concerns.

As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the notes to financial statements, required supplementary information, and the other supplementary information that is provided in addition to the MD&A.

Financial Highlights

- Total assets exceeded liabilities by \$6.13 million (reported as net position) as of June 30, 2020, an increase of approximately 8.6% from the prior fiscal year.
- The Council reported a \$2.00 million net investment in capital assets, an decrease of approximately 6% from June 30, 2019 to June 30, 2020.
- The Council's fund revenues decreased by \$221,504, or 3.93%, from June 30, 2019 to June 30, 2020.
- The Council's fund expenditures increased by \$194,593, or 4.11% from June 30, 2019 to June 30, 2020.
- The unassigned fund balance for the Council's general fund was \$4.17 million at June 30, 2020 which is a \$0.68 million, or 19.43%, increase from the prior fiscal year.

Overview of the Financial Statements

This MD&A is intended to serve as an introduction to the Council's basic financial statements, which include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private-sector business. The government-wide financial statements outline functions of the Council that are principally supported by grants, property taxes, and intergovernmental revenues (governmental activities). Capital assets are also supported by grants, property taxes, and intergovernmental revenues.

Statement of Net Position

The statement of net position presents information on all the Council's assets and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Statement of Activities

The statement of activities presents information showing how the Council's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The statement of activities is focused on both the gross and net cost of various activities. This is intended to summarize and simplify the reader's analysis of the revenues and costs of various government activities and the degree to which activities are subsidized by general revenues.

Both government-wide financial statements distinguish functions of the Council that are principally supported by grants, property taxes, and intergovernmental revenues (governmental activities). The governmental activities of the Council include health, welfare, and social services. The government-wide financial statements can be found on Exhibits A & B of this report.

Fund Financial Statements

A fund is a group of related accounts used to maintain control over resources that are segregated for specific activities or objectives. The Council, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the Council are reported as governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on fund balances at the end of the fiscal year. Such information may be useful in evaluating a government's near-term 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the balance sheet – governmental funds and in the statement of revenues, expenditures, and changes in fund balances – governmental funds for five major funds and an aggregate total for all nonmajor funds. The Council's major governmental funds are the General Fund, Title III B Fund, Title III C-1 Fund, Title III C-2 Fund, and Senior Center Fund. Individual fund data for the Council's nonmajor governmental funds are provided in the form of combining statements within the supplementary information section of this report. The governmental fund financial statements can be found on Exhibits C through F

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Notes to 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.

Required Supplementary Information

In addition to this discussion and analysis, this report also presents required supplementary information on budgetary comparisons on Schedules 1 – 5 of this report.

Other Supplementary Information

The combining statements referred to earlier are presented immediately following the required supplementary information and can on Schedule 6. The Council also presents the comparative schedule of capital assets and changes in capital assets, as required by the Governor's Office of Elderly Affairs, on Schedule 7, and the schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513(A), on Schedule 8.

The Council presents the schedule of expenditures of Federal awards on Schedule 9 as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Financial Analysis of the Council

The condensed statements of net position consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Assets:				
Current and Other Assets	\$ 4,213,411	\$ 3,623,425	\$ 589,986	16.28%
Capital Assets	<u>1,999,091</u>	<u>2,120,636</u>	<u>(121,545)</u>	-5.73%
Total Assets	<u>\$ 6,212,502</u>	<u>\$ 5,744,061</u>	<u>\$ 468,441</u>	8.16%
Liabilities:				
Current Liabilities	<u>\$ 84,401</u>	<u>\$ 101,905</u>	<u>\$ (17,504)</u>	-17.18%
Total Liabilities	<u>\$ 84,401</u>	<u>\$ 101,905</u>	<u>\$ (17,504)</u>	-17.18%
Net Position:				
Net Investment in Capital Assets	\$ 1,999,091	\$ 2,120,636	\$ (121,545)	-5.73%
Unrestricted	<u>4,129,010</u>	<u>3,521,520</u>	<u>607,490</u>	17.25%
Total Net Position	<u>\$ 6,128,101</u>	<u>\$ 5,642,156</u>	<u>\$ 485,945</u>	8.61%

Restricted net position is available only for expenditures that meet legislative requirements. Conversely, unrestricted net position does not have any limitations on how these amounts may be spent.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Current assets increased by \$589,986, approximately 16%, from June 30, 2019 to June 30, 2020, due primarily to an increase in pooled investments. Capital assets decreased by \$121,545, approximately 6% from June 30, 2019 to June 30, 2020, due to depreciation exceeding new capital additions.

The condensed statements of revenues, expenses, and changes in net position consisted of the following for the years ended June 30:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ -	\$ 16,894	\$ (16,894)	-100.00%
Operating Grants	3,145,116	3,100,600	44,516	1.44%
Capital Grants	102,253	499,350	(397,097)	-79.52%
General Revenues:				
Unrestricted Grants & Contributions	8,075	21,098	(13,023)	-61.73%
Ad Valorem Taxes	2,053,943	1,928,964	124,979	6.48%
Interest Income	51,776	61,373	(9,597)	-15.64%
Other General Revenues	<u>50,823</u>	<u>5,211</u>	<u>45,612</u>	875.30%
Total Revenues	<u>5,411,986</u>	<u>5,633,490</u>	<u>(221,504)</u>	-3.93%
Expenses:				
Program Expenses:				
Supportive Social Services:				
Transportation	2,538,534	2,535,798	2,736	0.11%
Other Supportive Social Services	241,798	213,695	28,103	13.15%
Nutrition Services	1,118,721	1,116,222	2,499	0.22%
Senior Citizen Center	666,847	575,324	91,523	15.91%
Other Program Expenses	101,900	115,304	(13,404)	-11.62%
Administration	<u>258,241</u>	<u>175,199</u>	<u>83,042</u>	47.40%
Total Expenses	<u>4,926,041</u>	<u>4,731,542</u>	<u>194,499</u>	4.11%
Change in Net Position	485,945	901,948	(416,003)	-46.12%
Net Position, Beginning of the Year	<u>5,642,156</u>	<u>4,740,208</u>	<u>901,948</u>	19.03%
Net Position, End of the Year	<u>\$ 6,128,101</u>	<u>\$ 5,642,156</u>	<u>\$ 485,945</u>	8.61%

The Council's revenues decreased by \$221,504, approximately 4%, from June 30, 2019 to June 30, 2020 due primarily to a decrease in capital grants and donated assets.

Net position increased by \$485,945, approximately 9%, from June 30, 2019 to June 30, 2020 due from revenues exceeding expenses.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Financial Analysis of the Council's Funds

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the Council's funds are reported as governmental funds and provide information on near-term inflows, outflows, and balances of resources available for future spending. 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.

Types of governmental funds reported by the Council include the following major funds: General Fund, Title III B Fund, Title III C-1 Fund, Title III C-2 Fund, and Senior Center Fund. At the end of June 30, 2020 fiscal year, the Council's governmental funds reported combined fund balances of \$4,178,245, an increase of \$617,274, approximately 17%, over the June 30, 2019 fiscal year. Of the total fund balances, \$4,173,879 is unassigned. The unassigned balance constitutes the fund balances that are accessible to meet the Council's needs. The remainder of the governmental fund balances include \$4,366 nonspendable for items that are not expected to be converted to cash, such as prepaid expenses.

For the year, the General Fund's total revenues exceeded expenditures by \$2,592,375, before transfers and other items of \$1,975,101, resulting in total general fund balance increasing by \$617,274. Overall, the growth in revenues, particularly in operating grants and ad valorem taxes was partly offset by increased transfers to other funds to meet spending requirements, as well as expenditure growth, particularly in community health, welfare, and social services, due to growing demand for services. The net result was an increase in fund balance this fiscal year.

General Fund Budgetary Highlights

The Council's budget was amended once during the 2020 fiscal year. The final budgeted expenditures and other uses of the general fund were \$3,377,538 and revenues and other sources were budgeted at \$3,377,538. Actual expenditures and other uses, budgetary basis, of the general fund were less than the budgeted amounts by \$62,164, approximately 2%. Revenues and other sources were greater than budgeted amounts by \$555,110, approximately 16%. The budgetary comparison schedules of the major governmental funds can be found at Schedules 1 through 5.

The variances within the General Fund and remaining major funds are within the expectations of management.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

Capital Assets

At June 30, 2020 the Council had \$1,999,091 invested in capital assets, net of accumulated depreciation. This investment in capital assets consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Assets Not Being Depreciated:				
Land	\$ 478,598	\$ 478,598	\$ -	0.00%
Assets Being Depreciated:				
Building & Leasehold Improvements	1,154,617	1,148,417	6,200	0.54%
Vehicles	1,082,840	1,112,667	(29,827)	-2.68%
Office Furniture and Equipment	55,586	55,586	-	0.00%
Computer Equipment and Software	139,586	131,812	7,774	5.90%
Nutrition Equipment	34,437	34,437	-	0.00%
	<u>2,467,066</u>	<u>2,482,919</u>	<u>(15,853)</u>	<u>-0.64%</u>
Accumulated Depreciation	<u>(946,573)</u>	<u>(840,881)</u>	<u>(105,692)</u>	<u>12.57%</u>
Net Assets Being Depreciated	<u>1,520,493</u>	<u>1,642,038</u>	<u>(121,545)</u>	<u>-7.40%</u>
Net Capital Assets	<u>\$ 1,999,091</u>	<u>\$ 2,120,636</u>	<u>\$ (121,545)</u>	<u>-5.73%</u>

The Council's investment in capital assets, net of accumulated depreciation, decreased by \$121,639, or 5.74%, from June 30, 2019 to June 30, 2020 due to depreciation exceeding capital asset additions. Additions made during the 2020 fiscal year include the following:

Building and Leasehold Improvements	\$ 6,200
Vehicles	120,298
Office Furniture and Equipment	-
Computer Equipment and Software	7,774
Nutrition Equipment	-
	<u>\$ 134,272</u>

Economic Factors and Next Year's Operations and Rates

The Council receives most of its funding from Federal, state, and local agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of services provided by the Council and, therefore, revenues may vary from year to year.

In setting its budget for fiscal 2021, management took into consideration program adjustments that may be necessary due to the COVID 19 pandemic. Temporary shutdowns for some programs, as well as increased need for others, were considered and budgeted appropriately.

Due to the COVID19 pandemic, COAST has received significant monies from the CARES act, some of which will be received after June 30, 2020. Additionally, COAST is receiving 100% reimbursement on its rural transportation contract during fiscal year 2021 and is not required to provide the local match for the urban transportation contract. This will result in significant changes in COAST's transportation revenue. The changes

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Management's Discussion and Analysis (Continued)
For the Year Ended June 30, 2020

in the transportation contracts were unknown at the time of budgeting. COAST will also receive monies through the FFCRA throughout FY2021. As of Jan. 31, 2021, that amount was approximately \$25,000.

Most of the property tax revenue that is expected to be received in the fiscal year will be received between February and March of 2021. Since the timing of the receipt of these funds is in the latter part of the fiscal year, the Council maintains significant cash balances at fiscal year-end in order to maintain continuity of operations in the next fiscal year until the property tax payments are received.

Contacting the Council's Management

This financial report is designed to provide a general overview of the Council's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Julie Agan, Executive Director, P.O. Box 171, Covington, Louisiana, 70434 (72060 Ramos Avenue, Covington, Louisiana, 70433); 985-892-0377; coast@coastseniors.org.

Basic Financial Statements

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Statement of Net Position
June 30, 2020

Exhibit A

	<u>Governmental Activities</u>
Assets	
Cash and Cash Equivalents	\$ 219,458
Accounts Receivable, Net	202,993
Prepaid Expenses	4,366
Pooled Investments	3,785,594
Deposits	1,000
Capital Assets Not Being Depreciated	478,598
Capital Assets, Net of Accumulated Depreciation	<u>1,520,493</u>
Total Assets	<u>\$ 6,212,502</u>
Liabilities	
Accounts Payable	\$ 18,796
Accrued Payroll and Related Liabilities	16,370
Accrued Compensated Absences	<u>49,235</u>
Total Liabilities	<u>\$ 84,401</u>
Net Position	
Net Investment in Capital Assets	\$ 1,999,091
Unrestricted	<u>4,129,010</u>
Total Net Position	<u>\$ 6,128,101</u>

The accompanying notes are an integral part of this statement.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Statement of Activities
For the Year Ended June 30, 2020

Exhibit B

Functions / Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Capital Grants & Contributions	Net Revenue (Expense) and Changes in Net Position
				Operating Grants & Contributions	Total Activities		
Governmental Activities:							
Health, Welfare, and Social Services:							
Supportive Social Services:							
Transportation	\$ 2,146,347	\$ 392,187	\$ -	\$ 1,664,264	\$ 102,253		\$ (772,017)
Homemaker	75,635	14,978	-	229,073	-		138,460
Legal	19,057	-	-	-	-		(19,057)
Information and Assistance	36,747	7,277	-	-	-		(44,024)
Outreach	376	74	-	-	-		(450)
Personal Care	29,231	5,788	-	-	-		(35,019)
Medic Alert	23,118	1,143	-	-	-		(24,261)
Other Services	25,119	3,255	-	-	-		(28,374)
Nutritional Services:							
Congregate Meals	302,201	59,161	-	364,497	-		3,135
Home Delivered Meals	634,636	122,723	-	319,746	-		(437,613)
Health Promotion, Disease Prevention	12,112	2,223	-	11,242	-		(3,093)
Family Caregiver Support	69,720	13,927	-	90,729	-		7,082
Senior Citizen Center	561,040	105,807	-	376,409	-		(290,438)
Senior Olympics	3,000	-	-	-	-		(3,000)
Restricted Utility Assistance	918	-	-	2,677	-		1,759
Administration	986,784	(728,543)	-	86,479	-		(171,762)
Total Governmental Activities	4,926,041	-	-	3,145,116	102,253		(1,678,672)
General Revenues:							
							8,075
							2,053,943
							39,776
							51,776
							10,686
							361
							2,164,617
							485,945
							5,642,156
							\$ 6,128,101

The accompanying notes are an integral part of this statement.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Balance Sheet – Governmental Funds
June 30, 2020

Exhibit C

	General Fund	Special Revenue Funds				Non-Major Funds	Total
		Title III B	Title III C-1	Title III C-2	Senior Center		
Assets							
Cash and Cash Equivalents	\$ 219,458	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,458
Accounts Receivable, Net	202,993	-	-	-	-	-	202,993
Prepaid Expenses	4,366	-	-	-	-	-	4,366
Pooled Investments	3,785,594	-	-	-	-	-	3,785,594
Deposits	1,000	-	-	-	-	-	1,000
Total Assets	\$ 4,213,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,213,411
Liabilities and Fund Balance							
Liabilities:							
Accounts Payable	\$ 18,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,796
Accrued Payroll & Related Liabilities	16,370	-	-	-	-	-	16,370
Total Liabilities	35,166	-	-	-	-	-	35,166
Fund Balance:							
Nonspendable	4,366	-	-	-	-	-	4,366
Unassigned	4,173,879	-	-	-	-	-	4,173,879
Total Fund Balance	4,178,245	-	-	-	-	-	4,178,245
Total Liabilities and Fund Balance	\$ 4,213,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,213,411

The accompanying notes are an integral part of this statement.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Exhibit D

Reconciliation of the Governmental Funds Balance Sheet to the
Government-Wide Statement of Net Position
For the Year Ended June 30, 2020

Total Fund Balances, Governmental Funds (Exhibit C) \$ 4,178,245

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Governmental Capital Assets, Net of Depreciation 1,999,091

Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds:

Accrued Compensated Absences (49,235)

Net Position of Governmental Activities (Exhibit A) \$ 6,128,101

The accompanying notes are an integral part of this statement.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Exhibit E

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Funds				Non-Major Funds	Total
		Title III B	Title III C-1	Title III C-2	Senior Center		
Revenues:							
Intergovernmental Revenues:							
GOEA:							
Primary Grants	\$ 200	\$ 227,386	\$ 231,528	\$ 316,896	\$ 376,409	\$ 188,250	\$ 1,340,669
NSIP Grants	-	-	125,085	-	-	-	125,085
FTA Grants	102,253	-	-	-	-	-	102,253
St. Tammany Parish	1,664,264	-	-	-	-	-	1,664,264
City of Covington	-	-	-	-	-	-	-
State Revenue Sharing	39,776	-	-	-	-	-	39,776
Ad Valorem Taxes	2,053,943	-	-	-	-	-	2,053,943
Utility Assistance	-	-	-	-	-	2,677	2,677
Client Contributions for Services	-	1,687	7,884	2,850	-	-	12,421
Public Donations	8,075	-	-	-	-	-	8,075
Interest Income	51,776	-	-	-	-	-	51,776
Other Income	361	-	-	-	-	-	361
Total Revenues	3,920,648	229,073	364,497	319,746	376,409	190,927	5,401,300

The accompanying notes are an integral part of this statement.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Exhibit E

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Special Revenue Funds				Non-Major Funds	Total
		Title III B	Title III C-1	Title III C-2	Senior Center		
Expenditures:							
Salaries and Wages	624,578	750,739	127,252	177,044	344,795	83,152	2,107,560
Employee Benefits	140,412	187,634	35,919	41,544	64,031	18,200	487,740
Operating Services	287,401	384,774	13,117	64,235	187,411	74,424	1,011,362
Operating Supplies	95,406	91,827	1,769	13,563	33,789	3,094	239,448
Other Operating Costs	32,877	66,837	6,497	10,493	5,049	5,031	126,784
Client Meals	-	-	172,253	432,220	-	-	604,473
Travel	2,025	3,243	1,094	1,198	1,533	360	9,453
Utility Assistance	-	-	-	-	-	918	918
Special Events and Fundraising	9,404	-	-	-	-	-	9,404
Ad Valorem Pension Assessment	64,612	-	-	-	-	-	64,612
Capital Outlay	71,558	62,714	-	-	-	-	134,272
Total Expenditures	<u>1,328,273</u>	<u>1,547,768</u>	<u>357,901</u>	<u>740,297</u>	<u>636,608</u>	<u>185,179</u>	<u>4,796,026</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,592,375</u>	<u>(1,318,695)</u>	<u>6,596</u>	<u>(420,551)</u>	<u>(260,199)</u>	<u>5,748</u>	<u>605,274</u>
Other Financing Sources (Uses):							
Transfers In	-	1,318,695	-	420,551	260,199	3,093	2,002,538
Transfers Out	(1,987,101)	-	(6,596)	-	-	(8,841)	(2,002,538)
Proceeds from Sale of Assets	12,000	-	-	-	-	-	12,000
Total Other Financing Sources (Uses)	<u>(1,975,101)</u>	<u>1,318,695</u>	<u>(6,596)</u>	<u>420,551</u>	<u>260,199</u>	<u>(5,748)</u>	<u>12,000</u>
Net Change in Fund Balances	617,274	-	-	-	-	-	617,274
Fund Balance:							
Beginning of the Year	<u>3,560,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,560,971</u>
End of the Year	<u>\$ 4,178,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,178,245</u>

The accompanying notes are an integral part of this statement.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Exhibit F

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balance to the Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net Change in Fund Balances, Governmental Funds (Exhibit E) \$ 617,274

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

Capital outlays are reported in governmental funds 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. These differences consist of:

Capital Outlay	134,272
Depreciation Expense	(254,503)
Disposal of Capital Assets	(1,314)

Some revenues in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds:

Value of Donated Capital Assets	-
---------------------------------	---

Annual changes in accrued compensated absences are not recorded in the governmental funds. In the statement of activities, these changes are recorded against current year payroll expenses.

Change in Accrued Compensated Absences	<u>(9,784)</u>
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Change in Net Position of Governmental Activities (Exhibit B) \$ 485,945

The accompanying notes are an integral part of this statement.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

1. Summary of Significant Accounting Policies

The accounting and reporting policies of St. Tammany Council on the Aging, Inc. (the “Council”) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB). The following is a summary of certain significant accounting policies used by the Council:

A. Purpose of the St. Tammany Council on the Aging, Inc.

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

Specific services provided by the Council to the elderly residents of the Parish include providing congregate and home-delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, medication management, medic alert units, in-home respite care, personal care, sitter services, support groups, public education, senior centers, utility assistance, homemakers, recreation, legal assistance, wellness, and transportation. The Council also provides transportation services to the public, primarily the elderly, of the Parish.

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 GOEA 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. 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 the GOEA.

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 April 4, 1967 and subsequently incorporated on September 5, 1968 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A Board of Directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. A board member who has served two consecutive terms is ineligible to serve on the Board of Directors for one year. Reasonable efforts are made to maintain a Board of Directors who is representative of the population of the Parish. Nominations to fill expiring terms of board members are made in April to the Council's membership committee that will consider and screen the nominations. The membership committee nominates who it believes to be the best-qualified persons to the board. The members of the Council elect board members at their annual

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

membership meeting in June. Any adult citizen of the Parish, age 60 and over, may register to be a member of the Council. Membership fees are not charged.

Based on the criteria set forth in GASB Codification Section 2100, Defining the Financial Reporting Entity, the Council is not a component unit of another primary government nor does it have any component units that are related to it. The Council presents its financial statements as a special purpose, stand-alone government; accordingly, it applies the provisions of GASB as if it were a primary government.

C. Basis of Presentation of the Basic Financial Statements

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

D. Government-Wide Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities for all activities of the Council. As a rule, the effect of interfund activity is eliminated from the statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position resulting from the activities of the current fiscal year. Governmental activities generally are supported by intergovernmental revenues and property tax revenues.

In the government-wide statement of net position, a single column is presented for total governmental activities which are presented on a consolidated basis.

The statement of net position is 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; net investment in capital assets; 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. Many functions and programs are supported by general government revenues such as intergovernmental revenues, property taxes, and unrestricted public support, particularly if the function or program has a net cost.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

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 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 are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs. The statement of activities shows this allocation in a separate column labeled indirect expenses. The 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 GOEA administrative 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 provided by a specific function or program to people or other entities. 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. There were no special items this year.

E. Fund Financial Statements

The daily accounts and operations of the Council continue to be organized using funds and account groups. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, 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 how spending activities are controlled. The various funds are reported by generic classification within the financial statements.

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 position. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, no additional funds were (deemed to be major funds by management. The non-major funds are summarized by category or fund type into a single column in the fund financial statements.

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

- The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

The following are brief descriptions of the programs that comprise the Council's General Fund:

- Local Programs and Funding – The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire capital assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are generally recorded in the local program. Because these funds are mostly unrestricted, they are often transferred to other programs and funds to eliminate deficits in cases where the expenditures of the other programs and funds exceeded their revenues.
- Senior Citizen Activities – The Council operates centers in Slidell, Lacombe, Covington, Mandeville, Folsom, Bush, and Pearl River. The revenues and related expenditures for senior center activities are maintained separately within the Council's general ledger.
- Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

- Title III B Fund – The Title III B Supportive Services Fund accounts for funds used to provide various units of supportive social services to the elderly. The GOEA established the criteria for a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

Service	Units
Home Repairs	77
Homemaker	2,731
Information and Assistance	1,927
Legal Assistance	297
Material Aid	177
Medic Alert	718
Nutrition Counseling	35
Nutrition Education	3,399
Outreach	10
Personal Care	929
Transportation	29,886
Wellness	1,969

- Title III C-1 Fund – The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout the Parish. The Council maintains meal sites in Slidell, Mandeville, Covington, Lacombe, Folsom, Bush, and Pearl River. During the year, the Council served 49,444 meals to people eligible to participate in this program.
- Title III C-2 Fund – The Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 128,683 meals during the year to people eligible to participate in this program.

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

- Senior Center Fund – The Senior Center Fund accounts for the administration of senior center program funds appropriated by the Louisiana Legislature to the GOEA, which, in turn, passes through the funds to the Council. The purpose of this program is to provide a community service center where elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The primary senior centers for the Parish are located in Covington, Lacombe, Mandeville, Pearl River, and Slidell.

In addition, satellite senior centers are located in Folsom and Bush. Senior center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Management did not transfer any of this year's senior center grant funds to any other programs. All revenue received in the Senior Center Fund account was used to pay operating costs for the senior centers.

The following is a description of the non-major governmental funds of the Council:

- Area Agency Administration (AAA) Fund – The Area Agency Administration Fund is used to account for a portion of the indirect costs of administering the Council's programs. The Council allocates administrative costs to this fund first. Once the GOEA funds are completely used, any indirect costs in excess of the funds provided by the GOEA are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs. Indirect costs are not allocated to all funds because program restrictions may prohibit or limit the payment of administrative costs.
- Title III D Fund – The Title III D Fund accounts are used for wellness, which includes disease prevention and health promotion activities. During the year, the Council provided 1,327 units of health promotion & disease prevention.
- Title III E Fund – The Title III E Fund accounts relate to the National Family Caregiver Support program. The National Family Caregiver Support program is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. This program targets older, low-income individuals. Specific types of services that can be provided by this program include material aid, support groups, respite care, sitter service, and information and assistance. Eligible participants include (1) adult family members, or another adult person, who provide uncompensated in-home and community care to an older person who needs supportive services or (2) grandparents, or a person 60 years of age or older, who is related to a child by blood or marriage and (a) lives with the child, (b) is the primary caregiver, and (c) has a legal relationship to the child or is raising the child informally. During the year, the Council provided 110 units of information and assistance, 1,468 units of in-home respite care, 351 units of material aid, 30 units of support group services, and 84 units of public education.
- Supplementary Senior Center Fund – The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. Due to the census, the Council was one of the parish councils to receive an amended supplemental grant. The money received by this fund during the year is transferred to the Senior Center Fund to supplement the services provided by this fund. The GOEA provided these funds to the Council.

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

- Utility Assistance Fund – The Utility Assistance Fund accounts for the administration of utility assistance programs sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to aid the elderly for the payment of utility bills. The contributions can only be used to pay for direct services. No indirect or administration expenses can be paid for with these funds. The Council's general policy is to provide utility assistance of up to \$100 per eligible person once per year.

F. 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.

G. Government-Wide Financial Statements – Accrual Basis

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

H. 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 current assets and current liabilities are included on the fund balance sheet. The operating statements of the fund's present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual when they are both measurable and available. Measurable means the amount of 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 six months of the current fiscal year-end, except for property tax revenues, which are accrued if they are collected within 60 days of year-end.

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

I. Net Position in the Government-Wide Financial Statements

In the government-wide statement of net position, the net asset amount is classified and displayed in three components:

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

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

- *Restricted net position* – consists of net position with constraints placed on its 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* – consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's normal policy is to use restricted resources first to finance its activities, except for nutrition services.

When providing nutrition services, revenues earned by the Council under its NSIP contract are used to pay for raw food that is bought and served to a person eligible to receive a meal under the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Unrestricted resources are available for use that must be consumed or they will be returned to the grantor agency; therefore, management elects to apply and consume the unrestricted resources before the restricted resources. As a result, in this case, the Council will depart from its usual policy of using restricted resources first.

J. Fund Balance – Fund Financial Statements

The Council has adopted GASB Codification Sections 1300, *Fund Accounting*, and 1800, *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components: non-spendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Council to assess, levy, change, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

- *Assigned* – consists of amounts that are constrained by the Council's intent to be used for specific purposes but are neither restricted nor committed.
- *Unassigned* – consists of amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted resources are available for use, the Council uses restricted resources first, then unrestricted resources (committed, assigned, and unassigned).

When fund balance resources are available for a specific purpose in multiple classifications, the Council would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds. As of June 30, 2020, the Council had no restricted, committed, or assigned fund balances.

K. Use of Estimates

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

L. 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. The GOEA provides funds to partially subsidize the Council's administration function. The unsubsidized net cost of the administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant, contract, or donor restrictions.

M. 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, transfers between funds are netted against one another as part of the reconciliation of the changes in fund balances in the fund financial statements to the change in net position.

N. Cash and Cash Equivalents

Cash and cash equivalents include not only currency on hand, but also demand deposits and money market funds with banks or other financial institutions. The Council considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

For purposes of the statement of net position, restricted cash is 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.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

O. Receivables

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

P. Investments

GASB Codification Section 150, *Investments*, requires the Council to report its investments at fair value in the statement of net position, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council had investments of \$3,785,594 at June 30, 2020.

Q. Capital Assets

The accounting and reporting treatment used for 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 that 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 over the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation. The estimated useful lives of the depreciable capital assets are as follows:

<u>Category</u>	<u>Years</u>
Buildings and Leasehold Improvements	20 - 30
Vehicles	5 - 9
Office Furniture and Equipment	6 - 10
Computer Equipment and Software	5
Nutrition Equipment	5

When calculating depreciation, the State of Louisiana'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.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2020

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.

R. Unpaid Compensated Absences

The Council's policies for vacation leave permits employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide financial statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to 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 as of June 30, 2020.

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. 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 yearend in the fund financial statements. The difference in the methods of accruing compensated absences creates 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 or the fund financial statements relative to sick leave.

S. Income Taxes

Under the provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Council is exempt from taxes on income other than unrelated business income. Since the Council had no net unrelated business income during the year ended June 30, 2020, no provision for income tax was made.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Council believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

St. Tammany Council on Aging, Inc.
Covington, Louisiana

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For the Year Ended June 30, 2020

T. 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 non-major 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 its programs.
- Management projects property tax revenues based on past trends and data available at the St. Tammany Assessor's Office to form expectations of future revenues.
- The revenue information supplied by the GOEA and the Assessor are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to the GOEA for 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, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under 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 financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to the GOEA and approved by that agency.
- 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 in its budget as often as required but must obtain compliance approval from the GOEA for funds received under grants from this agency. As part of its grant compliance, the 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.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large fund balance exists to absorb the budgeted operating deficit. The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

2. Cash

The Council maintains a consolidated operating bank account at a financial institution, which is available for use by all funds to deposit revenues and pay expenses. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains a demand deposit account for payroll disbursements and a savings account for easy access to funds should they be needed for operations.

The Council has concentrated its credit risk by maintaining deposits in banks located within the same geographic region that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

3. Investments

At June 30, 2020, the Council had an investment of \$3,785,594 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation, organized under the laws of the State of Louisiana. 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 LRS 33:2955.

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

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for 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% 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 disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 90 days and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating / variable rate investments. The WAM for LAMP's total investments is 100 days as of June 30, 2020.
- Foreign currency risk: Not applicable.

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The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

4. Capital Assets

The following schedule provides a summary of changes in capital assets and accumulated depreciation:

	Balance 06/30/19	Additions	Deletions	Balance 06/30/20
Capital Assets Not Being Depreciated:				
Land	\$ 478,598	\$ -	\$ -	\$ 478,598
Capital Assets Being Depreciated				
Building and Leasehold Improvements	1,148,417	6,200	-	1,154,617
Vehicles	1,112,667	120,298	150,125	1,082,840
Office Furniture and Equipment	55,586	-	-	55,586
Computer Equipment and Software	131,812	7,774	-	139,586
Nutrition Equipment	34,437	-	-	34,437
Total Capital Assets Being Depreciated	2,482,919	134,272	150,125	2,467,066
Less: Accumulated Depreciation:				
Building and Leasehold Improvements	216,761	46,784	-	263,545
Vehicles	477,633	181,100	148,811	509,922
Office Furniture and Equipment	40,614	4,792	-	45,406
Computer Equipment and Software	82,720	18,366	-	101,086
Nutrition Equipment	23,153	3,461	-	26,614
Total Accumulated Depreciation	840,881	254,503	148,811	946,573
Capital Assets, Net	<u>\$ 2,120,636</u>	<u>\$ (120,231)</u>	<u>\$ 1,314</u>	<u>\$ 1,999,091</u>

The Council's management has reviewed the remaining capital assets and does not believe any of them to have been impaired as of fiscal year-end. Depreciation was charged to governmental activities as follows:

Administration	\$ 37,895
Supportive Social Services: Transportation	165,846
Senior Citizen Center Operations	30,239
Nutrition Services: Congregate Meals	3,461
Nutrition Services: Home-Delivered Meals	17,062
	<u>\$ 254,503</u>

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

5. Compensated Absences

For purposes of the statement of net position, the Council has presented all its accumulated unpaid vacation leave as a current liability. Vested amounts should be used before the end of the next fiscal year; therefore, no liability for vacation leave has been presented in the balance sheet- governmental funds. Vacation leave is not a liability until the employee has made a request to use it or terminates employment with the Council. As of June 30, 2020, compensated absences were \$49,235.

6. Ad Valorem Tax

During fiscal year 2009, a property tax was adopted by the voters of the Parish to provided money to finance the Council's operations. The property tax was renewed for an additional 10-year period in December 2016. The St. Tammany Assessor will assess the property tax each November 15 for ten years. The tax will be based upon the assessed value, less homestead exemptions, on all real and business property located within the Parish. One mill is the maximum amount the Council may legally elect to assess property owners each year.

Property taxes are due on November 15 and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The St. Tammany Sheriff acts as the collection agent for property taxes and does not charge the Council any commission for performing this service. To collect all taxes due for the Parish, the Sheriff will have a tax sale each year.

The Council records property taxes 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.

Property tax revenues in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds include \$64,612 withheld by the Sheriff to make on-behalf payments for fringe benefits, which represent the Council's pro rata share of retirement plan contributions for other governmental units. This amount has been included as a component of intergovernmental expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds. For purposes of the government-wide statement of activities, property tax revenues of \$2,053,943 were reduced by \$64,612 withheld by the Parish for retirement benefits and administrative charges to produce net property tax revenue of \$1,989,331, which was a component of general revenues on that statement.

7. In-Kind Contributions

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

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For the Year Ended June 30, 2020

The Council received the following in-kind contributions during the year for its senior centers and meal sites, which management estimates the aggregate in-kind value to be \$55,200:

- The Slidell Senior Center is furnished by the City of Slidell for an annual cost of \$1 for rent.
- The Mandeville meal site is furnished by the City of Mandeville without charge for rent and utilities.
- The Town of Pearl River furnishes the Pearl River meal site at no charge. Furthermore, the Council is responsible for paying the utility bills and a monthly cleaning fee.

8. Board of Directors Compensation

The Board of Directors is a voluntary board. Board members do not receive compensation. Board members can submit an expense request form for out-of-pocket expenses that are in accordance with the Council's travel reimbursement policy.

9. Judgements, Claims, and Similar Contingencies

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; officer and directors' liability; business interruption; natural disasters; and volunteer liability. Except for business interruption and certain acts of God, the Council has purchased commercial insurance to reduce the risk of loss that may arise in the event of these occurrences. 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 is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management, the outcome of such actions will have no material impact on the financial condition or results of operations for the Council.

10. Contingencies – Grant Programs

The Council participates in state and Federal grant programs governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit by the grantor agencies; therefore, any noncompliance may cause funds to be returned to the grantor. In management's opinion, there are no significant contingent liabilities related to compliance with 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 disallowed costs should be recognized in the period agreed upon by the grantor agency and the Council.

11. Economic Dependency

The Council's largest single source of revenue is from a property tax. If the property in the Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected. Management is not aware of any other actions or events that would affect the Council.

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

The Council also receives significant amounts of its annual revenues from the GOEA. The revenues are appropriated each year by the Federal and state governments. If significant budget cuts are made at the Federal or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Council will receive next year relating to revenues it usually receives from the GOEA.

12. Lease and Rental Commitments

On July 30, 1994, the Council entered into a 20-year lease with the City of Slidell whereby the Council will rent from the City, for \$1 per year, a building referred to as the Slidell Senior Citizens Center at 610 Cousin Street, Slidell, Louisiana. The Council has the right to renew this lease for 10 additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The City will be responsible for any repair requiring labor and material of \$501 or more. This location was destroyed by Hurricane Katrina in August 2005, was reconstructed by the City of Slidell, and was reopened in March 2013. On May 22, 2014, the Council renewed this lease for the additional 10 years under the same terms and conditions.

On November 19, 2018, the Council entered into a Cooperative Endeavor Agreement with St. Tammany to lease office space at the property located at 21410 Koop Drive, Mandeville. The term of the lease is 24 months with monthly payments of \$2,500. The Council is responsible for maintaining fire and extended coverage insurance for the premises.

On October 13, 2018, the Council entered into a Cooperative Endeavor Agreement with St. Tammany Parish Recreation District 7 to lease the property at 67835 Highway 41, Pearl River. The term of the lease is 12 months with monthly payments of \$380. The Council is responsible for maintaining fire and extended coverage insurance for the premises. The lease was not renewed after the 12-month period ended.

The following schedule reports the future minimum lease payments under non-cancelable operating leases:

<u>June 30:</u>	<u>Amount</u>
2021	<u>\$ 12,500</u>
	<u>\$ 12,500</u>

In addition, the lease commitments above, the Council entered into the following month-to-month lease agreements:

On August 1, 2018, the Council entered into a month to month lease agreement to rent the property at 27397 Highway 190, Lacombe, Louisiana for \$1,200 per month. The Council is responsible for paying all utilities, including water, gas, electrical power, and fuel consumed in or on the premises. The Council is also responsible for maintaining fire and extended coverage insurance for the premises. The agreement will continue until a 30-day written notice to vacate is provided by either party.

On March 1, 2013, the Council entered into a Cooperative Endeavor Agreement with St. Tammany Parish Government for use of the Bush Community Center located at 81605 Highway 41, Bush, Louisiana. The Parish agrees to provide electric, water, and sewer utilities to the Center. The Council uses the Center on a non-exclusive basis and only for services to the Parish's senior citizens, including all services related thereto.

St. Tammany Council on Aging, Inc.
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Notes to the Financial Statements
For the Year Ended June 30, 2020

On August 23, 2018, the Council entered into a Cooperative Endeavor Agreement with St. Tammany Parish Recreation District 12 to lease the property at 13296 LA-40, Folsom, Louisiana for \$150 per month. The Council is responsible for maintaining fire and extended coverage insurance for the premises. The agreement will continue until a 30-day written notice to vacate is provided by either party.

13. Interfund Transfers – Fund Financial Statements

The following schedule presents the transfers between funds for the year ended June 30, 2020:

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,987,101
Title III B	1,318,695	-
Title III C-1	-	6,596
Title III C-2	420,551	-
Senior Center	260,199	-
Title III D	3,093	-
Title III E	-	7,082
Restricted Utility Assistance	-	1,759
	\$ 2,002,538	\$ 2,002,538

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect the fund to the fund that statute or budget requires to expend the fund and (b) shift unrestricted revenues collected in the General Fund and certain special revenue funds to finance various programs accounted for in other funds in accordance with budgetary authorizations or operational needs. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

14. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, February 10, 2021, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Required Supplemental Information (Part II):

Budgetary Comparison Schedules

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Schedule 1

Budgetary Comparison Schedule – General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental Revenues:				
GOEA:				
Primary Grants	\$ -	\$ -	\$ 200	\$ 200
FTA Grants	-	-	102,253	102,253
St. Tammany Parish	1,781,586	1,179,181	1,664,264	485,083
City of Covington	6,000	6,000	-	(6,000)
State Revenue Sharing	-	-	39,776	39,776
Ad Valorem Taxes	2,136,720	2,113,957	2,053,943	(60,014)
Public Donations	27,252	27,252	8,075	(19,177)
Interest Income	51,148	51,148	51,776	628
Other Income	-	-	361	361
Total Revenues	4,002,706	3,377,538	3,920,648	543,110
Expenditures:				
Salaries and Wages	721,354	627,979	624,578	3,401
Employee Benefits	197,755	154,150	140,412	13,738
Operating Services	317,119	289,123	287,401	1,722
Operating Supplies	119,818	92,884	95,406	(2,522)
Other Operating Costs	178,994	39,995	32,877	7,118
Travel	4,664	5,407	2,025	3,382
Special Events and Fundraising	9,500	10,854	9,404	1,450
Ad Valorem Pension Assessment	-	-	64,612	(64,612)
Capital Outlay	9,191	44,453	71,558	(27,105)
Total Expenditures	1,558,395	1,264,845	1,328,273	(63,428)
Excess (Deficiency) of Revenues over Expenditures	2,444,311	2,112,693	2,592,375	479,682
Other Financing Sources (Uses):				
Transfers Out	(2,444,311)	(2,112,693)	(1,987,101)	125,592
Proceeds from Sale of Assets	-	-	12,000	12,000
Total Other Financing Sources (Uses)	(2,444,311)	(2,112,693)	(1,975,101)	137,592
Net Change in Fund Balances	-	-	617,274	617,274
Fund Balance:				
Beginning of the Year	-	-	3,560,971	3,560,971
End of the Year	\$ -	\$ -	\$ 4,178,245	\$ 4,178,245

See auditor's report.

**St. Tammany Council on Aging, Inc.
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Schedule 2

Budgetary Comparison Schedule – Title III B Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental Revenues:				
GOEA Grants	\$ 227,386	\$ 227,386	\$ 227,386	\$ -
Client Contributions for Services	<u>1,200</u>	<u>1,568</u>	<u>1,687</u>	<u>119</u>
Total Revenues	228,586	228,954	229,073	119
Expenditures:				
Salaries and Wages	878,204	754,043	750,739	3,304
Employee Benefits	246,115	186,461	187,634	(1,173)
Operating Services	399,180	389,135	384,774	4,361
Operating Supplies	120,388	88,960	91,827	(2,867)
Other Operating Costs	69,224	68,120	66,837	1,283
Travel	6,889	9,217	3,243	5,974
Capital Outlay	<u>10,009</u>	<u>27,887</u>	<u>62,714</u>	<u>(34,827)</u>
Total Expenditures	<u>1,730,009</u>	<u>1,523,823</u>	<u>1,547,768</u>	<u>(23,945)</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(1,501,423)</u>	<u>(1,294,869)</u>	<u>(1,318,695)</u>	<u>(23,826)</u>
Other Financing Sources (Uses):				
Transfers In	<u>1,501,423</u>	<u>1,294,869</u>	<u>1,318,695</u>	<u>23,826</u>
Total Other Financing Sources (Uses)	<u>1,501,423</u>	<u>1,294,869</u>	<u>1,318,695</u>	<u>23,826</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance:				
Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
 Budgetary Comparison Schedule – Title III C-1 Fund
 For the Year Ended June 30, 2020

Schedule 3

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental Revenues:				
GOEA:				
Primary Grants	\$ 231,528	\$ 231,528	\$ 231,528	\$ -
NSIP Grants	125,085	125,085	125,085	-
Client Contributions for Services	9,795	7,884	7,884	-
Total Revenues	366,408	364,497	364,497	-
Expenditures:				
Salaries and Wages	162,354	129,798	127,252	2,546
Employee Benefits	49,587	35,217	35,919	(702)
Operating Services	14,669	13,062	13,117	(55)
Operating Supplies	1,937	1,478	1,769	(291)
Other Operating Costs	7,496	6,421	6,497	(76)
Client Meals	219,641	172,253	172,253	-
Travel	5,955	5,324	1,094	4,230
Total Expenditures	461,639	363,553	357,901	5,652
Excess (Deficiency) of				
Revenues over Expenditures	(95,231)	944	6,596	5,652
Other Financing Sources (Uses):				
Transfers In	95,231	-	-	-
Transfers Out	-	(944)	(6,596)	(5,652)
Total Other Financing Sources (Uses)	95,231	(944)	(6,596)	(5,652)
Net Change in Fund Balances	-	-	-	-
Fund Balance:				
Beginning of the Year	-	-	-	-
End of the Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
 Budgetary Comparison Schedule – Title III C-2 Fund
 For the Year Ended June 30, 2020

Schedule 4

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget
Revenues:				
Intergovernmental Revenues:				
GOEA Grants	\$ 268,991	\$ 316,896	\$ 316,896	\$ -
Client Contributions for Services	3,927	2,539	2,850	311
Total Revenues	272,918	319,435	319,746	311
Expenditures:				
Salaries and Wages	169,532	175,666	177,044	(1,378)
Employee Benefits	47,671	40,900	41,544	(644)
Operating Services	52,243	62,349	64,235	(1,886)
Operating Supplies	14,581	13,423	13,563	(140)
Other Operating Costs	8,976	9,547	10,493	(946)
Client Meals	402,048	446,583	432,220	14,363
Travel	3,149	4,971	1,198	3,773
Total Expenditures	698,200	753,439	740,297	13,142
Excess (Deficiency) of				
Revenues over Expenditures	(425,282)	(434,004)	(420,551)	13,453
Other Financing Sources (Uses):				
Transfers In	425,282	434,004	420,551	(13,453)
Total Other Financing Sources (Uses)	425,282	434,004	420,551	(13,453)
Net Change in Fund Balances	-	-	-	-
Fund Balance:				
Beginning of the Year	-	-	-	-
End of the Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

**St. Tammany Council on Aging, Inc.
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Schedule 5

Budgetary Comparison Schedule – Senior Center Fund
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental Revenues:				
GOEA Grants	\$ 247,583	\$ 267,698	\$ 376,409	\$ 108,711
Total Revenues	<u>247,583</u>	<u>267,698</u>	<u>376,409</u>	<u>108,711</u>
Expenditures:				
Salaries and Wages	315,029	340,113	344,795	(4,682)
Employee Benefits	70,551	63,046	64,031	(985)
Operating Services	138,802	183,918	187,411	(3,493)
Operating Supplies	42,478	38,834	33,789	5,045
Other Operating Costs	3,963	4,649	5,049	(400)
Travel	14,505	20,827	1,533	19,294
Capital Outlay	50,000	-	-	-
Total Expenditures	<u>635,328</u>	<u>651,387</u>	<u>636,608</u>	<u>14,779</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(387,745)</u>	<u>(383,689)</u>	<u>(260,199)</u>	<u>123,490</u>
Other Financing Sources (Uses):				
Transfers In	<u>387,745</u>	<u>383,689</u>	<u>260,199</u>	<u>(123,490)</u>
Total Other Financing Sources (Uses)	<u>387,745</u>	<u>383,689</u>	<u>260,199</u>	<u>(123,490)</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance:				
Beginning of the Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

Other Supplemental Information

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Schedule 6

Combining Statement of Revenues, Expenditures, and Changes in
Fund Balances – Nonmajor Governmental Funds
For the Year Ended June 30, 2020

	Area Agency Admin	Title III D	Title III E	Utility Assistance	Total
Revenues:					
Intergovernmental Revenues - GOEA Grants	\$ 86,279	\$ 11,242	\$ 90,729	\$ -	\$ 188,250
Utility Assistance	-	-	-	2,677	2,677
Total Revenues	86,279	11,242	90,729	2,677	190,927
Expenditures:					
Salaries and Wages	49,651	11,613	21,888	-	83,152
Employee Benefits	10,372	1,886	5,942	-	18,200
Operating Services	19,330	526	54,568	-	74,424
Operating Supplies	2,606	70	418	-	3,094
Other Operating Costs	4,141	227	663	-	5,031
Travel	179	13	168	-	360
Utility Assistance	-	-	-	918	918
Total Expenditures	86,279	14,335	83,647	918	185,179
Excess (Deficiency) of Revenues over Expenditures	-	(3,093)	7,082	1,759	5,748
Other Financing Sources (Uses):					
Transfers In	-	3,093	-	-	3,093
Transfers Out	-	-	(7,082)	(1,759)	(8,841)
Total Other Financing Sources (Uses)	-	3,093	(7,082)	(1,759)	(5,748)
Net Change in Fund Balances	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	\$ -	\$ -	\$ -	\$ -	\$ -

See auditor's report.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Schedule 7

Comparative Schedule of Capital Assets and Changes in Capital Assets
For the Year Ended June 30, 2020

	Balance 06/30/19	Additions	Deletions	Balance 06/30/20
Capital Assets at Cost:				
Land	\$ 478,598	\$ -	\$ -	\$ 478,598
Building and Leasehold Improvements	1,148,417	6,200	-	1,154,617
Vehicles	1,112,667	120,298	150,125	1,082,840
Office Furniture and Equipment	55,586	-	-	55,586
Computer Equipment and Software	131,812	7,774	-	139,586
Nutrition Equipment	34,437	-	-	34,437
	<u>\$ 2,961,517</u>	<u>\$ 134,272</u>	<u>\$ 150,125</u>	<u>\$ 2,945,664</u>
 Investments in Capital Assets:				
Property acquired with funds from:				
FTA	\$ 922,304	\$ 102,625	\$ 147,872	\$ 877,057
Local Funds:				
General Fund	1,889,191	31,647	2,253	1,918,585
PCOA Supplemental Funds	23,415	-	-	23,415
Senior Center Funds	86,677	-	-	86,677
In-Kind Donations	39,930	-	-	39,930
	<u>\$ 2,961,517</u>	<u>\$ 134,272</u>	<u>\$ 150,125</u>	<u>\$ 2,945,664</u>

See auditor's report.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Schedule 8

Schedule of the Compensation, Benefits, and Other Payments to the Agency Head
For the Year Ended June 30, 2020

Agency Head: Julie Agan, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 85,763
Benefits - Insurance	8,486
Benefits - Retirement	2,573
Deferred Compensation	-
Benefits - Other - Supplemental Pay	-
Car Allowance	3,600
Vehicle Provided by Government	-
Vehicle Rental	-
Cell Phone	-
Dues	-
Per Diem	-
Reimbursements	89
Travel	-
Registration Fees	-
Conference Travel	285
Housing	-
Unvouchered Expenses	-
Special Meals	-
Other	-
	<u>\$ 100,796</u>

See auditor's report.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2020

Schedule 9

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
Department of Transportation			
<i>Passed through State of Louisiana Department of Transportation and Development</i>			
Formula Grants for Rural Areas	20.509		\$ 317,943
Enhanced Mobility for Seniors & Individuals with Disabilities	20.513	LA-2017-020	<u>102,252</u>
Total Department of Transportation			<u>420,195</u>
Department of Health and Human Services - Direct Programs - Aging Cluster			
<i>Passed through Louisiana Governor's Office of Elderly Affairs</i>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	4400016661	169,045
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	4400016661	377,067
Special Programs for the Aging - Title III, Part C - COVID Stimulus	93.045		128,826
Nutrition Services Incentive Program	93.053		<u>125,085</u>
Total Department of Health and Human Services - Direct Programs - Aging Cluster			<u>800,023</u>
Department of Health and Human Services - Direct Programs - Other			
<i>Passed through Louisiana Governor's Office of Elderly Affairs</i>			
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	4400016661	11,242
National Family Caregiver Support, Title III, Part E	93.052	4400016661	68,047
Medicare Enrollment Assistance Program	93.071		<u>200</u>
Total Department of Health and Human Services - Direct Programs - Other			<u>79,489</u>
Total Federal Funds			<u>\$ 1,299,707</u>

See auditor's report.

**St. Tammany Council on Aging, Inc.
Covington, Louisiana**

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Reporting Entity

The accompanying schedule of expenditures of Federal awards presents the activities of Federal award programs expended by St. Tammany Council on the Aging, Inc. (the "Council"). The Council's reporting entity is defined in Note 1 of the notes to financial statements.

Basis of Presentation

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the Council under programs of the Federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not present the financial position, changes in net position, fund balance, or changes in fund balance.

Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is reported on the same accounting basis as the fund financial statements, which is described in Note 1 of the notes to financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The Council did not elect to use the 10 percent de minimis indirect rate.

See auditor's report.

**Other Independent Auditor's Reports and
Findings and Recommendations**

Dennis E. James, CPA
Lyle E. Lambert, CPA
Paul M. Riggs, Jr., CPA
J. Bryan Ehricht, CPA

Megan E. Lynch, CPA
B. Jacob Steib, CPA
Brody E. Howes, CPA
Christie J. Barado
Connor J. Collura
Sharon B. Bravata
Krystal L. Waddell
Debbie G. Faust, EA



**JAMES
LAMBERT RIGGS
& ASSOCIATES, INC.**
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Member of
American Institute of CPAs
Society of Louisiana CPAs

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. Tammany Council on Aging, Inc.
Covington, 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. Tammany Council on Aging, Inc., as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the St. Tammany Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated February 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Tammany Council on Aging, Inc.'s internal control over financial reporting (internal control) to determine the 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 St. Tammany Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Council on Aging, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2020-003 to be a significant deficiency.

Compliance and Other Matters

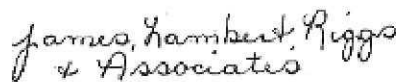
As part of obtaining reasonable assurance about whether the St. Tammany Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

St. Tammany Council on Aging, Inc.'s Response to Findings

The St. Tammany Council on Aging, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The St. Tammany Council on Aging's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

A handwritten signature in cursive script that reads "James Lambert Riggs & Associates".

James, Lambert, Riggs and Associates, Inc.

Hammond, Louisiana
February 10, 2021

Dennis E. James, CPA
Lyle E. Lambert, CPA
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Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance

The Board of Directors of the
St. Tammany Council on Aging, Inc.
Denham Springs, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the St. Tammany Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the St. Tammany Council on Aging, Inc.'s major federal programs for the year ended June 30, 2020. The St. Tammany Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of audit findings and responses.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the St. Tammany Council on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Tammany Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the St. Tammany Council on Aging, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, the St. Tammany Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

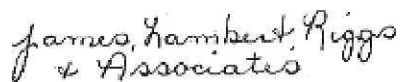
Report on Internal Control over Compliance

Management of the St. Tammany Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the St. Tammany Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Council on Aging, Inc.'s internal control over compliance.

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

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

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



James, Lambert, Riggs and Associates, Inc.
Hammond, Louisiana

February 10, 2021

St. Tammany Council on Aging, Inc.
Covington, Louisiana
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2020

We have audited the basic financial statements of the St. Tammany Council on Aging, Inc. as of and for the year ended June 30, 2020, and have issued our report thereon dated February 10, 2021. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of the Uniform Guidance.

Section I – Summary of Auditor’s Reports

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

Type of Opinion Issued	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
Internal Control:				
Material Weakness	<u>X</u>	Yes	___	No
Significant Deficiencies	<u>X</u>	Yes	___	No
Compliance:				
Compliance Material to the Financial Statements	___	Yes	<u>X</u>	No
Was a management letter issued?	___	Yes	<u>X</u>	No

2. Federal Awards

Type of Opinion on Compliance for Major Programs	<u>X</u>	Unmodified	___	Modified
	___	Disclaimer	___	Adverse
Internal Control:				
Material Weakness	___	Yes	<u>X</u>	No
Significant Deficiencies	___	Yes	<u>X</u>	No
Are there findings required to be reported in accordance with the Uniform Guidance?				
	___	Yes	<u>X</u>	No

3. Identification of Major Programs

<u>CFDA Number</u>	<u>Name of Federal Program (or Cluster)</u>
93.044	Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging – Title III, Part C – Nutrition Services
93.045	Special Programs for the Aging – Title III, Part C – COVID Stimulus
93.053	Nutrition Services Incentive Program

Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance?
 ___ Yes X No

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Section II – Financial Statement Findings

Internal Control over Financial Reporting

2020-001 – Failure to Make Daily Deposits

Condition:

During our audit and review of internal control procedures for cash receipts and our testing of individual cash receipts transactions for compliance with those internal control procedures, we noticed a weakness in cash receipts procedures that should be improved. In a random sample of four (4) cash deposits made throughout the year we noted the following:

- On August 12, 2019, a check for \$5,500 was received at the COAST administrative office. On August 13, 2019, a \$3,000 check was received at the COAST administrative office. These two checks were not deposited in the bank until August 14, 2019.
- On March 20, 2020, three checks totaling \$39 were received at the COAST administrative office. These checks were not deposited in the bank until March 31, 2020.

Criteria:

Whenever possible, checks and other monies received by COAST should be deposited in the bank as soon as possible to reduce the risk of theft or misappropriation. Cash receipts represents a material amount on the financial statements of COAST and strong, effective controls over cash receipts are essential to the secure, efficient operation of COAST.

Cause:

The cause of these conditions appears to be a lack of oversight on the part of management in making daily deposits for cash received at the administrative office.

Effect:

Failure to adopt and adhere to strong internal controls over cash receipts processing creates an environment in which errors, irregularities, and waste could occur and not be detected in a timely manner.

Recommendation:

We recommend COAST make daily deposits for all monies received at the administrative office.

Management's Response:

See management's response dated February 17, 2021.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

2020-002 – Lack of Adequate Documentation for Deposits

Condition:

During our audit and review of internal control procedures for cash receipts and our testing of individual cash receipts transactions for compliance with those internal control procedures, we noticed a weakness in cash receipts procedures that should be improved. In a random sample of four (4) cash deposits made throughout the year we noted the following:

- On August 14, 2019, a deposit was made for \$8,520. The documentation for this deposit included a bank receipt but not a copy of the original deposit slip.
- On March 31, 2020, a deposit was made for \$303.21. The documentation for this deposit included a copy of the original deposit slip, but not the bank receipt.

Criteria:

Per COAST's Internal Control Policies dated June 2014, the section for "Cash Receipts" requires that *"the Administrative Assistant then prepares a deposit summary sheet, attaching one copy of each cash receipt, the deposit slip copy, and the bank deposit confirmation slip."*

Cause:

The cause of these conditions appears to be a lack of oversight on the part of management in making daily deposits for cash received at the administrative office.

Effect:

Failure to adhere to strong internal controls over cash receipts and deposits creates an environment in which errors, irregularities, and waste could occur and not be detected in a timely manner.

Recommendation:

We recommend COAST follow its existing Internal Control Policies manual when preparing deposit documentation.

Management's Response:

See management's response dated February 17, 2021.

2020-003 – Utilization of Outdated Internal Control Policies Manual

Condition:

During our audit and review of internal control procedures, we were provided with an Internal Control Policies manual dated June 2014. Since the time the manual was developed, multiple Executive Directors, Finance Directors, and Accounting Staff have been employed by COAST with no substantive updates to the approved internal control policies.

St. Tammany Council on Aging, Inc.
Covington, Louisiana
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

Criteria:

Internal control policies should be regularly evaluated to determine if procedures should be adjusted or amended as changes in the organization take place over time.

Cause:

The cause of these conditions appears to be a lack of oversight on the part of management and the Board of Directors in ensuring that the internal control policies manual is kept up to date.

Effect:

Failure to update the internal control policies creates an environment in which errors, irregularities, and waste could occur and not be detected in a timely manner.

Recommendation:

We recommend COAST update the current Internal Control Policies manual to incorporate changes in staffing, technology, and programs.

Management's Response:

See management's response dated February 17, 2021.

Compliance and Other Matters

None

Section III – Federal Award Findings and Questioned Costs

None

St. Tammany Council on Aging, Inc.
Covington, Louisiana
 Summary Schedule of Prior Audit Findings
 For the Year Ended June 30, 2020

Ref. #	Fiscal Year Findings Occurred	Description of Findings	Corrective Action Taken
<u>Internal Control over Financial Reporting</u>			
2019-01	June 30, 2019	Material Weakness in Internal Controls: Capital Assets	Resolved - Capital assets reported appropriately in the current year
2019-02	June 30, 2019	Material Weakness in Internal Controls: Financial Reporting	Resolved - Year-end account balances materially correct and balances rolled forward from the prior year accurately
<u>Compliance and Other Matters</u>			
2019-03	June 30, 2019	Compliance - Timely Submission of Report	Resolved - Audit submitted to Louisiana Legislative Auditor within statutory deadlines

Note: This schedule has been prepared by the management of the St. Tammany Council on Aging, Inc.



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Email: coast@coastseniors.org

February 19, 2021

James, Lambert, Riggs
401 E. Thomas St.
Hammond, LA 70401

St. Tammany Council on the Aging, Inc. Responses to annual independent audit report for fiscal year ended June 30, 2020

Internal Control Over Financial Reporting

Finding 1 – Failure to Make Timely Deposits

To resolve the issue, a new bookkeeper and a new Finance Director are ensuring funds received in administration office are deposited in timely manner. Also, remote deposit will be install on February 25, 2021 to avoid delays.

Finding 2 – Lack of Adequate Documentation for Deposits

COAST neglected to change financial policies regarding deposits to reflect online banking options. Bank deposit receipts and deposit slips are available through online banking. COAST will update its policies. Also, to keep proper documentation, we are ensuring all deposit documents and receipts of deposit are kept safe and secure.

Finding 3 – Utilization of Outdated Internal Controls Policy Manual

COAST updated the manual and received Board approval on said manual.



Julie Agan
Executive Director

Syeda Naeem
Finance Director

----- **Please Remember COAST in your Planned Giving** -----

COAST is a 501(c)(3) organization. Contributions and donations are tax-deductible as provided in section 170 of the Internal Revenue Code.

COAST strives to provide St. Tammany Parish seniors with services designed to maintain and enhance their quality of life, independence, and involvement in the community.