

Financial Statement

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 2020



Financial Statement

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 2020

TABLE OF CONTENTS

Terrebonne Council on Aging, Inc. Houma, Louisiana

June 30, 2020

	<u>Exhibits</u>	<u>Page Numbers</u>
Principal Official's		
Financial Section		
Independent Auditor's Report		1 - 3
Management's Discussion and Analysis		4 - 11
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	A	12
Statement of Activities	B	13
Fund Financial Statements:		
Fund Balance Sheet - Governmental Funds	C	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	D	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	E	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	F	17
Notes to Financial Statements	G	18 - 54

TABLE OF CONTENTS
(Continued)

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	<u>Exhibits</u>	<u>Page Numbers</u>
GASB Required Supplementary Information Section		
Budgetary Comparison Schedule - General Fund	H	55
Budgetary Comparison Schedule - Title III B - Supportive Services Fund	I	56
Budgetary Comparison Schedule - Title III C-2 - Home Delivered Meals Fund	J	57
Budgetary Comparison Schedule - Rural Transportation Fund	K	58
Note to Required Supplementary Information Budgetary Reporting	L	59 - 60
Schedule of Changes in the Council's Total OPEB Liability and Related Ratios	M	61
	<u>Schedules</u>	
Supplementary Information Section		
Balance Sheet - Governmental Fund - General Fund Programs	1	62
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund - General Fund Programs	2	63
Combining Balance Sheet - Nonmajor Governmental Funds	3	64 - 65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	4	66 - 67
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer	5	68
Comparative Statement of Capital Assets and Changes in Capital Assets	6	69
Units of Service (Unaudited)	7	70 - 71

TABLE OF CONTENTS
(Continued)

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	<u>Schedules</u>	<u>Page Numbers</u>
Special Reports of Certified Public Accountants		
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		72 - 73
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance		74 - 76
Schedule of Expenditures of Federal Awards	8	77
Notes to Schedule of Expenditures of Federal Awards		78
Schedule of Findings and Questioned Costs		79 - 80
Reports by Management		
Schedule of Prior Year Findings and Questioned Costs		81
Management's Corrective Action Plan		82

PRINCIPAL OFFICIALS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

BOARD OF DIRECTORS

	<u>Term</u> <u>Expiration Date</u>
Kirby Verret, Chairman	December 31, 2020
L.J Folsie, Vice Chairman	December 31, 2021
Bert LeBoeuf, Treasurer	December 31, 2020
Raymonda Guidroz, Secretary	December 31, 2022
Melissa Lyons	December 31, 2020
Louis Pitre	December 31, 2021
Janet Hickman	December 31, 2022
Michael Boquet	December 31, 2021
Virginia Callahan	December 31, 2021
Carla Chaisson	December 31, 2021
Ivy Dupre, Sr.	December 31, 2020

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., (the "Council"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures 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 Council'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 Council'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity 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 Management's Discussion and Analysis, Budgetary Comparison Schedules and the Schedule of Changes in the Council's Total OPEB Liability and Related Ratios on pages 4 through 11, 54 through 60, respectively, 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 inquires 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 Council's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule 8, is presented for purposes of additional analysis as required by the *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The accompanying financial information listed in the supplementary information section, except for the information contained in Schedule 7 and the Schedule of Expenditures of Federal awards are the responsibility of management and was 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. Schedule 7, Units of Service, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2021 on our consideration of the Terrebonne Council on Aging, Inc.'s internal control over financial reporting and 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 20, 2021.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Council on Aging, Inc. Houma, Louisiana

June 30, 2020

Management's Discussion and Analysis of the Terrebonne Council on Aging, Inc.'s (the "Council") financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Council's assets exceeded its liabilities at the close of fiscal year 2020 by \$25,489,606 (net position), which represents a 14.25% decrease from last fiscal year.

The Council's revenue decreased \$7,029,545 (or 75.29%) primarily as a result of decreases in funding related to grants and contributions from the Terrebonne Parish Consolidated Government.

The Council's expenses decreased slightly by \$228,208 (or 3.37%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of six parts: (1) management's discussion and analysis (this section), (2) basic financial statements, (3) required supplementary information, (4) the optional section that presents combining statements for the General Fund and non-major governmental funds and other supplementary information, (5) various governmental compliance reports and schedules by certified public accountants and management, and (6) statewide agreed upon procedures.

The basic financial statements include two kinds of statements that present different views of the Council:

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Government-wide Financial Statements

The government-wide financial statements (Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of 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. The Statement of Activities presents information showing how the Council's net position changed during each 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 only result in cash flows in future fiscal periods. The governmental activity of the Council is health and welfare, which is comprised of various programs for senior citizens that include various supportive services, nutritional services, utility assistance and respite.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are 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 balances of spendable resources available 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. 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 (Exhibits D and F).

The Council has presented the General Fund, Title III B - Supportive Services Fund, Title III C-2 - Home Delivered Meals Fund and Rural Transportation Fund as major funds (Exhibits C and E). All non-major governmental funds are presented in one column, titled other governmental funds. Combining financial statements of the non-major funds can be found in the combining fund statements that follow the basic financial statements (Schedules 3 and 4).

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit G of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major special revenue fund that has a legally adopted budget (GASB Required Supplementary Information: Exhibits H, I, J and K). GASB Statement No. 75 requires a schedule of changes in the Council's total OPEB liability (Exhibit M).

The Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Schedules 3, 4, and 6). GOEA also requires the Council to present combining schedules of its General Fund Programs (Schedules 1 and 2), and a comparative schedule of Units of Service (Schedule 7). Louisiana state law requires the Schedule of Compensation Benefits, and Other Payments to Agency Head or Chief Executive Officer, (Schedule 5).

The Uniform Guidance requires a Schedule of Expenditures of Federal Awards (Schedule 8). This schedule presents required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted Federal money to the Council.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2020, assets exceeded liabilities by \$25,489,606. A large portion of the Council's net position (29.64%) reflects its investment in capital assets (e.g., land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Condensed Statements of Net Position**

	June 30,		Dollar Change
	2020	2019	
Current and other assets	\$ 16,338,565	\$ 19,921,846	\$ (3,583,281)
Capital assets	7,553,932	7,970,265	(416,333)
Other long term assets	5,500,000	5,500,000	-
Deferred outflow of resources	718,965	559,617	159,348
Total assets and deferred outflows of resources	<u>30,111,462</u>	<u>33,951,728</u>	<u>(3,840,266)</u>
Long-term liabilities outstanding	3,624,737	3,064,962	559,775
Other liabilities	321,201	264,217	56,984
Deferred inflows of resources	675,918	898,484	(222,566)
Total liabilities and deferred inflows of resources	<u>4,621,856</u>	<u>4,227,663</u>	<u>394,193</u>
Net position:			
Net investment in capital assets	7,553,932	7,970,265	(416,333)
Restricted	22,985	23,215	(230)
Unrestricted	17,912,689	21,730,585	(3,817,896)
Total net position	<u>\$ 25,489,606</u>	<u>\$ 29,724,065</u>	<u>\$ (4,234,459)</u>

Current and other assets decreased significantly due to a decrease in cash of approximately \$3,506,000. The Council recognized deferred outflow of resources of \$718,965 and deferred inflows of resources of \$675,918 related to GASB Statement No. 75, "Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension".

Governmental Activities

Governmental activities decreased the Council's net position by \$4,234,459. Key elements of the decrease are as follows:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities (Continued)****Condensed Changes in Net Position**

	<u>June 30,</u>			Total
	<u>2020</u>	<u>2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 100,952	\$ 111,419	\$ (10,467)	-9.39%
Operating grants and contributions	1,486,749	1,296,504	190,245	14.67%
Capital grants and contributions	-	266,664	(266,664)	-100.00%
General revenues:				
Grants and contributions not restricted to specific programs	624,721	7,569,794	(6,945,073)	-91.75%
Unrestricted investment earnings	93,625	88,779	4,846	5.46%
Miscellaneous	574	3,006	(2,432)	-80.90%
Total revenues	<u>2,306,621</u>	<u>9,336,166</u>	<u>(7,029,545)</u>	<u>-75.29%</u>
Expenses:				
Health and welfare	<u>6,541,080</u>	<u>6,769,288</u>	<u>(228,208)</u>	<u>-3.37%</u>
Increase (decrease) in net position	<u>(4,234,459)</u>	<u>2,566,878</u>	<u>(6,801,337)</u>	<u>-264.97%</u>
Net position, beginning of year	<u>29,724,065</u>	<u>27,157,187</u>	<u>2,566,878</u>	<u>9.45%</u>
Net position end of year	<u>\$ 25,489,606</u>	<u>\$ 29,724,065</u>	<u>\$ (4,234,459)</u>	<u>-14.25%</u>

Grants and contributions not restricted to specific programs decreased in the current year due to pending litigation between the Council and Terrebonne Parish Consolidated Government (the "Parish") that halted the funding received through ad valorem taxes.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Governmental Funds

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$16,017,364, a decrease of \$3,640,265 in comparison with the prior year. The Council's total General Fund balance decreased by \$3,662,552 during the current fiscal year, and the combined increase in fund balance for all other governmental funds was \$22,287. The unassigned fund balance component of the General Fund was \$1,043,506 (Exhibit C) and is available for spending at the Council's discretion. The remainder of the General Fund's fund balance of \$14,871,150 is comprised of \$249,547 of nonspendable resources, \$927 of restricted resources, \$10,145,543 of committed resources and \$4,475,133 of assigned resources. The \$102,708 fund balance of all other governmental funds is comprised of \$22,058 of restricted resources, and the remaining \$80,650 is assigned to special projects.

Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under the Council's grants from GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Intergovernmental revenues decreased by \$139,729 to reflect anticipation of receipts of intergovernmental revenue from the Parish.

Expenditures

- Capital outlay expenditures decreased \$571,000 to reflect actual expenditures for the purchase of a vehicle and office furniture and fixtures.
- Other costs increased \$104,621 to reflect anticipation of increases in emergency purchases due to Coronavirus (COVID-19) pandemic.
- Operating services decreased \$122,287 to reflect the decrease services due to COVID-19 pandemic.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)

Budgetary Highlights (Continued)

The major differences in the original and final budgets of other major funds include Title III B Supportive Services were increases in revenues by \$116,328 and decreases in expenditures by \$96,212, primarily due to the increase in intergovernmental funds received as well as decreases in salaries and fringe benefits, and operating services during the year. Title III C Home Delivered Meals Fund increased total revenue by \$117,844 to reflect increase in intergovernmental revenue. Rural Fund decreased total expenditures by \$454,244 to reflect decreases in salaries and fringe benefits and operating services.

During the year, actual expenditures reported favorable variances from the amount of final budgetary estimates in the General Fund. Actual revenues reported an unfavorable variance due to an over estimate in the amended budget. Other major funds reported favorable expenditure budget variances for the year. Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major special revenue fund (Exhibits H, I, J, and K).

CAPITAL ASSETS

Capital Assets

The Council's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$7,553,932 (net of accumulated depreciation). This investment in capital assets includes land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2020</u>	<u>2019</u>
Land	\$ 1,694,456	\$ 1,694,456
Buildings and leasehold improvements	5,102,405	5,339,639
Office furniture, fixtures, and equipment	107,028	130,043
Vehicles, machinery, and equipment	<u>650,043</u>	<u>806,127</u>
Totals	<u>\$ 7,553,932</u>	<u>\$ 7,970,265</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of freezer for warehouse.
- Purchase of truck.

Additional information on the Council's capital assets can be found in Note 7, Exhibit G of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from Federal and State agencies and a grant of local ad valorem taxes. Because of this, the source of income for the Council is rather steady. However some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues from grants may vary from year to year. The grant from Terrebonne Parish (the "Parish") of local ad valorem taxes will be significantly changed for fiscal year 2020-2021; the Parish did not renew the 7.50 mill parish-wide ad valorem tax for tax year 2020. See Note 2 and Note 18 for details. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2020-2021. The Council plans to implement the following programs during the fiscal year ending June 30, 2021:

- Paving of parking lot at the operations center
- Second harvest program - receive food and distribute to seniors through Food For Seniors program
- Two-sided digital sign at the operations center

The Board of Directors considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Consideration of funding to be received from GOEA.
- Grants of ad valorem tax proceeds budgeted represents the estimated amount of the November 2020 assessment, which the Council will receive, for the most part, in the first quarter of 2021.
- Interest revenues have been budgeted with no anticipation of an increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates.
- Services the Council will provide along with estimated service cost.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Detail plan of capital projects required to provide services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Council on Aging, Inc., 955 W Tunnel Blvd, Houma, LA 70360.

STATEMENT OF NET POSITION**Terrebonne Council on Aging, Inc.**
Houma, Louisiana

June 30, 2020

	<u>Primary Government</u>	<u>Component Unit</u>
Assets		
Cash	\$ 15,254,490	\$ 288,065
Investments	742,297	-
Contracts receivable	83,397	-
Other receivable	8,834	-
Other current assets	-	20,810
Advances to component unit	249,547	-
Restricted deposits	-	252,382
Capital assets:		
Non-depreciable	1,694,456	1,300,000
Depreciable, net of accumulated depreciation	5,859,476	3,955,563
Other long-term assets	5,500,000	-
	<u>29,392,497</u>	<u>5,816,820</u>
Deferred Outflow of Resources	<u>718,965</u>	
	<u>30,111,462</u>	
Liabilities		
Accounts payable and accrued expenses	321,201	278,686
Advances from funding agencies	-	288,583
Non-current liabilities - due in more than one year	3,624,737	-
	<u>3,945,938</u>	<u>567,269</u>
Deferred Inflows of Resources	<u>675,918</u>	
	<u>4,621,856</u>	
Net Position		
Net investment in capital assets	7,553,932	-
Restricted for - other purposes	22,985	3,024,000
Unrestricted	17,912,689	2,225,551
	<u>\$ 25,489,606</u>	<u>\$ 5,249,551</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Terrebonne Council on Aging, Inc.**
Houma, Louisiana

For the year ended June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense)	Component Unit
			Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets	
						Total Governmental Activities	
Governmental activities:							
Health, welfare, and social services:							
Supportive services:							
Personal care	\$ 196,636	\$ -	\$ -	\$ 34,075	\$ -	\$ (162,561)	
Other services	81,572	70,749	-	2,157	-	(150,164)	
Homemaker	174,756	-	-	34,098	-	(140,658)	
Information and assistance	172,276	166,331	-	72,638	-	(265,969)	
Legal assistance	5,167	-	-	5,408	-	241	
Material aid	177,114	49,423	-	11,072	-	(215,465)	
Outreach	27,165	24,289	-	10,816	-	(40,638)	
Transportation	852,625	335,050	356	435,335	-	(751,984)	
Wellness	115,530	-	-	6,532	-	(108,998)	
Recreation	150,430	-	-	19,239	-	(131,191)	
Nutrition services:							
Congregate meals	522,883	145,234	1,135	205,962	-	(461,020)	
Home delivered meals	1,585,702	572,883	-	282,206	-	(1,876,379)	
Elderly housing	70,138	33,342	99,461	-	-	(4,019)	
Utility assistance	-	-	-	1,370	-	1,370	
Respite	279,030	-	-	34,938	-	(244,092)	
Medication management	4,120	14,975	-	24,118	-	5,023	
Medicare improvement MIPP	1,857	4,715	-	7,790	-	1,218	
Administration	2,124,079	(1,416,991)	-	298,995	-	(408,093)	
Total governmental activities	<u>\$ 6,541,080</u>	<u>\$ -</u>	<u>\$ 100,952</u>	<u>\$ 1,486,749</u>	<u>\$ -</u>	<u>(4,953,379)</u>	
Component unit:							
Elderly housing	<u>\$ 472,939</u>				<u>\$ 369,148</u>		<u>\$ (103,791)</u>
General revenues:							
Grants and contributions not restricted to specific programs						624,721	
Unrestricted investment earnings						93,625	
Miscellaneous						574	
Total general revenues						<u>718,920</u>	
Change in net position						(4,234,459)	(103,791)
Net position:							
Beginning of year						29,724,065	5,353,342
End of year						<u>\$ 25,489,606</u>	<u>\$ 5,249,551</u>
See notes to financial statements.							

FUND BALANCE SHEET -
GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 15,253,640	\$ -	\$ -	\$ -	\$ 850	\$ 15,254,490
Investments	742,297	-	-	-	-	742,297
Contracts receivable	-	-	-	81,977	1,420	83,397
Other receivables	7,982	83	141	-	628	8,834
Due from other funds	73,931	46,197	112,768	-	113,312	346,208
Advances to component unit	249,547	-	-	-	-	249,547
Total assets	\$ 16,327,397	\$ 46,280	\$ 112,909	\$ 81,977	\$ 116,210	\$ 16,684,773
Liabilities						
Accounts payable and accrued expenditures	\$ 140,464	\$ 46,280	\$ 112,909	\$ 9,349	\$ 12,199	\$ 321,201
Due to other funds	272,277	-	-	72,628	1,303	346,208
Total liabilities	412,741	46,280	112,909	81,977	13,502	667,409
Fund Balances						
Nonspendable:						
Advances to component unit	249,547	-	-	-	-	249,547
Restricted	927	-	-	-	22,058	22,985
Committed:						
Disaster relief	2,975,543	-	-	-	-	2,975,543
Litigation	100,000	-	-	-	-	100,000
St. George Property Development	7,000,000	-	-	-	-	7,000,000
Millage renewal election	70,000	-	-	-	-	70,000
Assigned:						
Retiree health insurance	3,355,420	-	-	-	-	3,355,420
Subsequent year's expenditures	434,094	-	-	-	-	434,094
Compensated absences	301,932	-	-	-	-	301,932
Special projects	383,687	-	-	-	81,872	465,559
Unassigned	1,043,506	-	-	-	(1,222)	1,042,284
Total fund balances	15,914,656	-	-	-	102,708	16,017,364
Total liabilities, deferred inflow of resources and fund balances	\$ 16,327,397	\$ 46,280	\$ 112,909	\$ 81,977	\$ 116,210	\$ 16,684,773

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

Fund Balances - Governmental Funds		\$ 16,017,364
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and other long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 12,305,146	
Less accumulated depreciation	<u>(4,751,214)</u>	7,553,932
Other long-term assets		5,500,000
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		718,965
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postemployment benefit obligations	(3,355,420)	
Compensated absences payable	<u>(269,317)</u>	(3,624,737)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(675,918)</u>
Net Position of Governmental Activities		<u><u>\$ 25,489,606</u></u>

See notes to financial statements.

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

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental:						
State of Louisiana:						
Governor's Office of Elderly Affairs	\$ 100,000	\$ 285,211	\$ 334,291	\$ -	\$ 379,381	\$ 1,098,883
Department of Transportation and Development	-	-	-	353,677	-	353,677
Terrebonne Parish Consolidated Government	507,754	-	-	-	1,370	509,124
Charges for services	99,461	-	-	4,908	360	104,729
Interest income	93,625	-	-	-	-	93,625
Public support:						
Contributions	27,436	2,835	34,747	-	19,343	84,361
Other	350	-	-	-	-	350
Miscellaneous:						
Program income	-	-	22,000	-	7,608	29,608
Other	29,185	-	-	-	-	29,185
Total revenues	857,811	288,046	391,038	358,585	408,062	2,303,542
Expenditures						
Current:						
Health and welfare:						
Salaries	310,132	449,724	747,107	324,622	424,746	2,256,331
Fringe	107,609	126,326	179,085	78,051	111,587	602,658
Travel	7,323	8,379	2,547	771	2,651	21,671
Operating services	389,374	140,972	532,819	130,038	194,721	1,387,924
Operating supplies	110,878	12,798	185,807	28,211	64,192	401,886
Other costs	303,946	376,559	-	-	52,540	733,045
Meals	-	-	442,227	-	61,720	503,947
Capital outlay	39,424	-	-	-	-	39,424
Total expenditures	1,268,686	1,114,758	2,089,592	561,693	912,157	5,946,886
Excess (deficiency) of revenues over expenditures	(410,875)	(826,712)	(1,698,554)	(203,108)	(504,095)	(3,643,344)
Other Financing Sources (Uses)						
Insurance proceeds	122	301	2,238	418	-	3,079
Operating transfers in	5,337	826,411	1,696,316	202,690	557,409	3,288,163
Operating transfers out	(3,257,136)	-	-	-	(31,027)	(3,288,163)
Total other financing sources (uses)	(3,251,677)	826,712	1,698,554	203,108	526,382	3,079
Net Change in Fund Balances	(3,662,552)	-	-	-	22,287	(3,640,265)
Fund Balances						
Beginning of year	19,577,208	-	-	-	80,421	19,657,629
End of year	\$ 15,914,656	\$ -	\$ -	\$ -	\$ 102,708	\$ 16,017,364

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds **\$ (3,640,265)**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those
assets is allocated over their estimated useful lives as
depreciation expense. This is the amount by which
depreciation exceeded capital outlays in the current period:

Capital outlay	\$ 39,424	
Depreciation expense	<u>(455,757)</u>	<u>(416,333)</u>

Some expenses reported in the Statement of Activities
do not require the use of current financial resources
and, therefore, are not reported as expenditures in
the governmental funds.

Increase in postemployment expenses	(195,022)	
Decrease in compensated absences	<u>17,161</u>	<u>(177,861)</u>

Change in Net Position of Governmental Activities **\$ (4,234,459)**

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Council on Aging, Inc.**

Houma, Louisiana

June 30, 2020

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

The accounting and reporting policies of Terrebonne Council on Aging, Inc. (the "Council") conform to 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 accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

a) Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Terrebonne Parish ("Terrebonne"); 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 Terrebonne; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of Terrebonne; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), 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 Terrebonne.

Specific services provided by the Council to the elderly residents of Terrebonne include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion and transportation.

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

b) Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (LA R.S.46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. However, before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by policies and regulations established by GOEA. The Council was created on April 28, 1965, under Act No. 456 of 1964. On September 10, 1975, the Council was incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes of 1950 to operate as a quasi-public, non-profit organization.

A board of directors, consisting of 11 voluntary members, who serve three year terms, governs the Council. Board members are elected by the general membership of the Council during its annual meeting. There can be no appointed board member at any given time.

GASB No. 14, "*The Financial Reporting Entity*", GASB No. 39, "*Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14*", and GASB No. 61, "*The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*" established the criterion for determining which component units should be considered part of the Council for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Council and the potential component unit.

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

b) Reporting Entity (Continued)

4. Imposition of will by the Council on the potential component unit.
5. Financial benefit/burden relationship between the Council and the potential component unit.

The basic financial statements include TCOA Elderly Housing, Inc. is considered to be a component unit of the Council based upon the above criteria.

It has also been determined based upon the above criteria that the Council is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and will be included in its comprehensive financial report for the year ending December 31, 2020.

c) Basis of Presentation

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

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

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities of the Council generally are supported by intergovernmental revenues.

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

c) Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Council allocates its indirect costs among various functions and programs in accordance with the Uniform Guidance. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses". In addition, GOEA provides grant funds, included in operating grants and contributions, to help the Council pay for a portion of its indirect costs. As a result, total governmental activities reported by function or program contain the indirect costs in excess of the GOEA funds. Other program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements:

The fund financial statements presents the major funds in governmental categories and non-major funds by category or fund type summarized into a single column.

The daily accounts and operations of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Council are grouped into generic fund types and fund categories as follows:

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - The General Fund is the general operating fund of the Council. It is used to account for and report all financial resources except those that are required to be accounted for and reported in another fund. The General Fund is always a major fund.

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

c) Basis of Presentation (Continued)

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. Title III B - Supportive Services Fund, Title III C-2 - Home Delivered Meals Fund and the Rural Transportation Fund are special revenue funds reported as major funds.

Capital Projects Fund - A Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay including the acquisition or construction of major capital facilities. The Capital Projects Fund is reported as a nonmajor fund.

The following programs comprise the Council's General Fund:

Ad Valorem Tax Monies - Monies are derived from a 7.50 mill parish wide ad valorem tax received through grants from the Parish.

Act 735 Monies - Monies are received from GOEA as stated in the Legislative Act 735. The Council may use these funds at its discretion in any program provided the program is benefiting people who are at least 60 years old. The money received in this fund during the year was transferred to the Title III B-Supportive Services Fund to provide additional funds to pay for its program expenditures.

The following funds are the funds which comprise the Council's special revenue funds:

Title III B - Supportive Services Fund - Monies are received from GOEA which are used to provide various units of supportive social services to the elderly. Specific supportive services provided during the fiscal year are information and assistance, personal care, outreach, homemakers, recreation, transportation, legal, material aid, visiting, telephone and wellness. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

Title III C - Area Agency Administration Fund - Monies are received from GOEA and are used to account for a portion of the indirect costs of administrating the Council's programs and helps pay for the costs of administering the Council's special programs for the elderly. The amount of money is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess

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

c) Basis of Presentation (Continued)

of the funds provided by 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.

Title III C-1 - Congregate Meals Fund - Monies are received from GOEA and are used to provide nutritional congregate meals to the elderly at meal sites located throughout Terrebonne Parish.

Title III C-2 - Home Delivered Meals Fund - Monies are received from GOEA and are used to provide nutritional meals to homebound older persons.

Title III D - Preventive Health Fund - Monies in this fund are received from GOEA and are used for disease prevention and health promotion activities.

Title III E - National Family Caregiver Program Fund - Monies in this fund are received from GOEA and are used to provide relief to family members who are the primary caregiver to an ill and/or bedridden senior individual.

Helping Hands Fund - Donated monies are received from the utility customers of the Terrebonne Parish Consolidated Government, South Louisiana Electric Cooperation Association and Trans LA Gas Company. Donations also flow through the Louisiana Association of Councils on Aging. These monies provide home energy assistance subsidy to low-income elderly and handicap persons.

No Wrong Door Service - Monies are received from GOEA and are used to conduct and complete "No Wrong Door" surveys in the Council's jurisdiction.

Transportation Fund - Monies are received from transportation services provided for nursing home clientele and clientele of The Work Connection, Inc. Monies are received based on per trip billing.

Enhanced Mobility of Seniors and Individuals with Disabilities Small Urban - This program provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. The program aims to improve

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

c) Basis of Presentation (Continued)

mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options. This program supports transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities.

Senior RX Fund - Monies in this fund are received from GOEA and are used to link eligible seniors with assistance for obtaining their prescription medications. This program does not give seniors their prescription medications, but will assist in the completion of applications to drug companies for free medicines or drug discount cards.

Special Fund - Monies are generated through special projects and donations. This fund is used for social, charitable, and athletic events scheduled for the elderly throughout the year.

Rural Transportation Fund - This program is to expand transportation service by providing Demand Response Public Transportation to rural communities. All eligible rural residents may access this system for a fare of \$1.00 for a one way trip. Residents are not limited to just doctors and government facilities as our other transportation programs. They may ride for work purposes, shopping, and visiting as well as doctors and government facilities. They can also access the Terrebonne Parish Transit System for additional transportation needs.

Medicare Improvement for Patients and Providers Act - The Council receives funds from the GOEA to provide outreach to eligible Medicare beneficiaries regarding the benefits available under Title XVIII of the Social Security Act, including the Medicare prescription drug benefit under Part D of Title XVII of the Social Security Act and under the Medicare Savings Program, and to coordinate efforts to inform older Americans about benefits available under Federal and state programs.

Schriever Senior Center Fund - Monies are generated through special projects and donations. The purpose of this fund is to provide various supplies and costs associated with providing a community service center at which the elderly people of Schriever 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 of Schriever.

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

d) Component Unit Disclosure

The component unit column and rows in the government-wide Statement of Net Position and Statement of Activities include the financial data of the Council's component unit for their fiscal year end of December 31, 2019. It is reported in a separate column to emphasize that it is legally separate from the Council. TCOA Elderly Housing, Inc. (the "Corporation") is a subsidiary of the Council. Board members for the Corporation are elected by the general membership of the Corporation. The Corporation's purpose is the construction and management of housing facilities to serve the elderly and elderly handicapped. As of June 30, 2020, the Council has advanced \$249,547 to the Corporation for which it anticipates reimbursement from future funds.

e) Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Council's definition of available means expected to be received within sixty days of the end of the fiscal year.

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

e) Measurement Focus and Basis of Accounting (Continued)

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) accumulated unpaid vacation pay and other postemployment benefits are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

f) 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 could differ from those estimates.

g) Accounts Receivable

The financial statements for the Council contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Council.

h) Cash and Investments

Cash includes petty cash, amounts in demand deposits, interest bearing demand deposits, and certificates of deposit with maturities of three months or less.

Investments consists of certificates of deposit with maturities of more than three months.

i) Capital Assets

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

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

i) Capital Assets (Continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and leasehold improvements	10 - 40 years
Office furniture, fixtures, and equipment	5 - 12 years
Vehicles, machinery, and equipment	5 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accumulated unpaid vacation and other postemployment benefits.

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

j) Non-Current Liabilities (Continued)

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

k) Accumulated Vacation, Compensatory Time, and Sick Leave

The Council's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation and sick leave. The liability for compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the Council shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

First year through third year	One week
Fourth year through sixth year	Two weeks
Seventh year through ninth year	Three weeks
Ten years or more	Four weeks

Employees may not accumulate and carry forward vacation time beyond the year earned unless approval is given by the Executive Director. Also, the Executive Director's carryover must be approved by the Board Chairman. Accumulated vacation leave is due to the employee at the time of termination of employment. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment.

l) Income Taxes

The Council is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

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

l) Income Taxes (Continued)

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2017 and later remain subject to examination by the taxing authorities. As of June 30, 2020 management of the Council believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

m) Interfund Transactions

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 paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements.

n) Related Party Transactions

There were no related party transactions during the fiscal year.

o) 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 functions or programs. Indirect expenses are recorded as direct expenses of the Administration function. The Administration function is allocated using a formula that is based primarily on the relationship the direct cost of all programs. GOEA provides funds to partially subsidize the Council's Administration function within certain programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

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

p) Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. 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 assets. As of June 30, 2020, the Council did not report any borrowings.
- b. Restricted net position - Consists of assets less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed except for nutrition services. When providing nutrition services, revenues earned by the Council under its Nutrition Services Incentive Program (NSIP) contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use NSIP revenues when paying for nutrition program costs.

Component Unit Restricted Net Position:

The component unit received a \$4,082,400 capital advance from HUD for the construction of a multifamily residual housing facility. The construction of the facility along with the cost of land improvements was capitalized as a fixed asset and therefore the temporary restriction is lifted as the building and land improvements depreciate over its useful life. As of December 31, 2019, \$1,058,400 of total cost has been depreciated and therefore is included in unrestricted net assets.

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

p) Equity (Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures, receivables anticipated to be collected after one year and deposits as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

As of June 30, 2020, the Council has classified \$22,985 as restricted fund balance due to the constraints placed on the use of the money by donors.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has committed \$2,975,543 of funds for disaster, \$100,000 for possible litigation, \$7,000,000 for the development of the St. George property, and \$70,000 for millage renewal election as of June 30, 2020.

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

p) Equity (Continued)

Fund Financial Statements: (Continued)

- **Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management assigned funds for the purposes of retiree health insurance, subsequent year's expenditures (budget deficit), compensated absences, utility assistance, fundraising, gift program and various special purposes, as of June 30, 2020 in the amounts of \$3,355,420, \$434,094, \$301,932, \$3,512, \$35,036, \$37,087, and \$388,702, respectively.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council 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.

q) New GASB Statements

During the year ended June 30, 2020, the Council implemented the following GASB Statement:

Statement No. 95, "*Postponement for the Effective Dates of Certain Authoritative Guidance*" provides temporary relief to governments and other stockholders in light of the coronavirus (COVID-19), as a pandemic. That objective is accomplished by postponing the effective dates of certain statements and implementation guides to those dates reported below.

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

q) New GASB Statements (Continued)

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 87, "*Leases*" increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*" establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, "*Codification of Accounting and Financial*

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

q) New GASB Statements (Continued)

Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements", which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 90, "*Majority Equity Interest*" improves the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this Statement are effective for reporting period beginning after December 15, 2019. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 91, "*Conduit Debt Obligations*" provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

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

q) New GASB Statements (Continued)

Statement No. 92, "*Omnibus 2020*" establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to all financial statements of all state and local governments at dates varying from upon issuance to fiscal periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 93, "*Replacement of Interbank Offered Rates*" some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates. This Statement will preserve the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*" improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP

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

q) New GASB Statements (Continued)

asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 96, "*Subscription-based Information Technology Arrangements*" provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for the years beginning after June 15, 2022. Management has yet to determine the effect of this Statement on the financial statements.

Statement No. 97, "*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*" provides objectives to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement are effective for the years beginning after June 15, 2021. Management has yet to determine the effect of this Statement on the financial statements.

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

r) Subsequent Events

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through January 20, 2021, which is the date the financial statements were available to be issued.

Note 2 - FUNDING POLICIES

The Council receives federal and state funding on a reimbursement basis for services performed. Funding from the GOEA is received on a reimbursement basis. In addition, the Council performs transportation services using Department of Transportation funding passed through the Parish.

The Council receives grants from the Parish from a 7.50 mill parish-wide ad valorem tax for the purpose of operating and maintaining programs for elderly and disabled people of Terrebonne Parish. Funding from the Parish is included in intergovernmental revenue and amounted to \$507,754 during the year ended June 30, 2020. The funding from the Parish is subject to the terms of a cooperative endeavor agreement, (CEA), dated May 19, 2016, which allocated the tax proceeds to the Council pursuant to approval of the Council's budget by the Parish Council. The CEA term is for three years from execution. The CEA expired May 19, 2019 and has not been renewed or replaced with a new or similar agreement as of January 20, 2021. See Note 18 for details on litigation between the Council and the Terrebonne Parish related to funding.

Note 3 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits:

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. As a matter of policy, the Council however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance, securities purchased and pledged to the political subdivision and letters of credit with the Federal Home Loan Bank pledged to the political subdivision.

Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 15,427,183	\$ 15,250,950
Certificates of deposit	742,297	742,297
Totals	\$ 16,169,480	\$ 15,993,247

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council has a written policy for custodial credit risk. As of June 30, 2020, \$15,134,410 of the Council's bank balance of \$16,169,480 was exposed to custodial credit risk. These deposits were uninsured and collateralized with letters of credit held by the federal home loan bank and are deemed to be held in the Council's name by state statutes.

As of June 30, 2020, cash and certificates of deposits were adequately collateralized in accordance with the Council's policy, similar to state law. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities Letters of Credit or sell the pledged securities within ten days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits: (Continued)

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$	3,540
Reported amount of deposits		<u>15,993,247</u>
Total		<u>\$ 15,996,787</u>
Classified as:		
Cash	\$	15,254,490
Investments		<u>742,297</u>
Total		<u>\$ 15,996,787</u>

Component Unit Cash and Investments

In addition to the unrestrictive cash accounts, the Component Unit maintains several restricted bank accounts and certificates of deposit at a bank located in South Louisiana. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of December 31, 2019, the Project's uninsured deposits totaled \$251,768.

Note 4 - CONTRACTS RECEIVABLE

Contracts receivable as of June 30, 2020 consisted of reimbursements for expenditures incurred under the following programs:

State of Louisiana - Department of Health and Hospitals - Medicare Improvement for Patients and Providers Act	\$	1,420
Terrebonne Parish Consolidated Government - Rural Transportation Program		<u>81,977</u>
Total		<u>\$83,397</u>

Note 5 - ADVANCE TO COMPONENT UNIT

The Council advanced TCOA Elderly Housing, Inc. startup funds for design and construction of the housing project operated by the component unit. The advance does not bear interest, is unsecured and is not anticipated to be collected during the next fiscal year. As of June 30, 2020, the balance of advanced funds were \$249,547. During the year ended June 30, 2020, the Council made advances totaling \$99,460. Repayments of \$150,000 were received within the year.

Note 6 - RESTRICTED DEPOSITS

The component unit is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits are held in separate accounts and generally are not available for operating purposes. As of December 31, 2019 the component unit had \$252,382 deposited in the separate accounts.

Note 7 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Land	\$ 1,694,456	\$ -	\$ -	\$ 1,694,456
Capital assets being depreciated:				
Intangible assets	10,500	-	-	10,500
Buildings and leasehold improvements	7,547,022	-	-	7,547,022
Office furniture, fixtures, and equipment	525,709	6,505	-	532,214
Vehicles, machinery, and equipment	2,488,035	32,919	-	2,520,954
Total capital assets being depreciated	<u>10,571,266</u>	<u>39,424</u>	<u>-</u>	<u>10,610,690</u>
Less accumulated depreciation for:				
Intangible assets	(10,500)	-	-	(10,500)
Building and leasehold improvements	(2,207,383)	(237,234)	-	(2,444,617)
Office furniture, fixtures, and equipment	(395,666)	(29,520)	-	(425,186)
Vehicles, machinery, and equipment	<u>(1,681,908)</u>	<u>(189,003)</u>	<u>-</u>	<u>(1,870,911)</u>
Total accumulated depreciation	<u>(4,295,457)</u>	<u>(455,757)</u>	<u>-</u>	<u>(4,751,214)</u>
Total capital assets being depreciated, net	<u>6,275,809</u>	<u>(416,333)</u>	<u>-</u>	<u>5,859,476</u>
Total capital asset, net	<u>\$ 7,970,265</u>	<u>\$ (416,333)</u>	<u>\$ -</u>	<u>\$ 7,553,932</u>

Note 7 - CHANGES IN CAPITAL ASSETS (Continued)

Depreciation was charged to governmental activities as follows:

Administration	\$158,397
Nutrition Services:	
Congregate Meals	185,195
Home Delivered Meals	1,682
Supportive Services:	
Transportation	43,728
Recreation	28,321
Wellness	23,953
Material Aid	11,845
Other	<u>2,636</u>
Total	<u><u>\$455,757</u></u>

Component Unit Capital Assets

The component unit's capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balance	Additions/ Disposals	Ending Balance
Land	\$ 1,300,000	\$ -	\$ 1,300,000
Land improvements	934,587	-	934,587
Building	4,391,913	-	4,391,913
Furniture and equipment	<u>22,957</u>	<u>-</u>	<u>22,957</u>
Total	6,649,457	-	6,649,457
Accumulated depreciation	<u>(1,248,759)</u>	<u>(145,135)</u>	<u>(1,393,894)</u>
Net book value	<u><u>\$ 5,400,698</u></u>	<u><u>\$(145,135)</u></u>	<u><u>\$ 5,255,563</u></u>

Note 8 - OTHER LONG-TERM ASSETS

Other long-term assets, reported in the government-wide financial statements consists of the Council's share of the Houma School Apartments, L.L.C. (the "Project").

The Project is a 103 unit senior housing complex on the site of the former Houma Elementary School, a historic site owned by the Parish. The Project was developed and is operated by Renaissance Neighborhood Development Corporation (RNDC) a subsidiary of Volunteers of America. Under the terms of a Memorandum of Agreement (the "agreement") between RNDC and the Council, the Council will work with RNDC by providing residential referral services and supportive services for a 21 unit set aside for individuals with physical and emotional impairments. The agreement, effective March 31, 2017, will automatically renew for annual periods on each anniversary date, unless RNDC has given notice not to extend 30 days prior to expiration.

The Council's participation in the Project is evidenced by a February 2016, 50 year, 0% interest, \$5,500,000 promissory note (the "Note") due from the Project. Under terms of the Note, the Project shall pay the Parish principal and unpaid interest, if any, annually for a period of 50 years from surplus cash. On the date 50 years from the effective of a Ground Lease between the Parish and the Project (December 22, 2015), all unpaid principal and interest on the Note shall be due and payable to the Parish from surplus cash.

Note 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2020 consisted of the following:

	Vendors	Salaries and Benefits	Total Payables
Governmental activities:			
General Fund	\$ 81,946	\$ 58,518	\$140,464
Title III B - Supportive Services Fund	31,501	14,779	46,280
Title III C-2 - Home Delivered Meals Fund	95,922	16,987	112,909
Rural Transportation Fund	1,644	7,705	9,349
Non-major Funds	4,822	7,377	12,199
Total accounts payable and accrued expenditures	\$215,835	\$105,366	\$321,201

Note 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES (Continued)

The component unit's accounts payable consists of money owed to the Council and tenants' deposits as of December 31, 2019.

Note 10 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended June 30, 2020:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 46,197
Title III C- Home Delivered Meals Fund	-	112,768
Rural Transportation Fund	72,628	-
Non-major Funds	<u>1,303</u>	<u>113,312</u>
Totals	73,931	272,277
Title III B-Supportive Services Fund:		
General Fund	46,197	-
Title III C- Home Delivered Meals Fund:		
General Fund	112,768	-
Rural Transportation Fund:		
General Fund	-	72,628
Non-major Funds:		
General Fund	<u>113,312</u>	<u>1,303</u>
Grand totals	<u>\$346,208</u>	<u>\$346,208</u>

The balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 11 - LONG-TERM OBLIGATIONS

Long-term obligations consist of accumulated unpaid vacation and other postemployment benefit obligations. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 2020:

	<u>Payable July 1, 2019</u>	<u>Obligations</u>		<u>Payable June 30, 2020</u>
		<u>Retired</u>	<u>Generated</u>	
Compensated absences	\$ 286,478	\$(126,981)	\$ 109,820	\$ 269,317
Other postemployment obligations	<u>2,778,484</u>	<u>-</u>	<u>576,936</u>	<u>3,355,420</u>
	<u>\$ 3,064,962</u>	<u>\$(126,981)</u>	<u>\$ 686,756</u>	<u>\$ 3,624,737</u>

Compensated absences are described in Note 1k.

Other postemployment obligations are described in Note 14.

Note 12 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2020:

	Operating Transfers	
	In	Out
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 826,411
Title III C-Home Delivered Meals Fund	-	1,670,626
Rural Transportation Fund	-	202,690
Non-major Funds	5,337	557,409
Totals	5,337	3,257,136
Title III B-Supportive Services Fund:		
General Fund	826,411	-
Title III C-Home Delivered Meals Fund:		
General Fund	1,670,626	-
Non-major Funds	25,690	-
Totals	1,696,316	-
Rural Transportation Fund:		
General Fund	202,690	-
Non-major Funds:		
General Fund	557,409	5,337
Title III C-Home Delivered Meals Fund	-	25,690
Totals	557,409	31,027
Grand totals	\$ 3,288,163	\$ 3,288,163

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs and projects accounted for in other funds in accordance with budgetary authorizations

Note 13 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to workers' compensation; torts; thefts of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Council carries commercial insurance and also participates in the Parish's risk management program for group health insurance and workers' compensation. No settlements were made during the year that exceeded the Council's insurance coverage. The Council's premiums for group health insurance are based on a fixed rate per employee. The Parish handles all claims filed against the Council for which it has insurance coverage under the Parish.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims related to group health insurance for the year ended December 31, 2019 was \$16,375,093. The Parish is covered under an insurance contract for the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claims in excess of the above limits are to be funded first by assets of the Parish's group health internal service fund, \$2,290,142 as of December 31, 2019, then secondly by the Council. Workers' compensation claims in excess of \$600,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of June 30, 2020 the Council had no claims in excess of the coverage limits. For the year ended June 30, 2020, total premiums paid to the Parish for group health insurance amounted to \$464,571, including the employees' portion of \$130,450, and \$74,510 for workers' compensation.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Effective July 1, 2014 the Council began providing postemployment medical, dental and life insurance benefits on behalf of it eligible retirees.

Plan Description

The Council administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their spouses as approved by the Board of Directors. Employees hired before January 1, 2013 shall be eligible to participate in the Plan approved by the Board of Directors under the following vesting schedule: 1 to 16 years of service, 60.25% of total employee premium; 17 to 20 years of service, 60.25% plus 4.00% per year; 21 to 25 years or more of service, 76.25% plus 4.75% per year after year 20, after 25 years, 100%. For all employees hired after December 31, 2012, the Plan shall be available to eligible retiring employees with a minimum of 30 years of full time service

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Plan Description (Continued)

requirements, employees must have participated in the group insurance coverage for a minimum of five continuous years immediately prior to retirement. Employees who do not elect coverage at retirement are not allowed to rejoin the program at a later date.

Employee Covered by Benefit Terms

As of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>41</u>
Total	<u>46</u>

Total OPEB Liability

The Council's total OPEB liability of \$3,355,420 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in June 30, 2020 was determined using the actuarial assumptions and other inputs on the following page, applied to all periods included in the measurement, unless otherwise specified:

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Measurement Date	June 30, 2020
Actuarial Valuation Date	June 30, 2019
Inflation	3.00%
Salary Increases, Include Inflation	3.00%
Discount Rate	2.45%
Healthcare Cost Trend Rates	Medical - 6.50% in year one decreasing in decrements of 0.50% per year until 5.00% through year four. Dental - 3.25% in year one decreasing in decrements of 0.25% per year until 3.00% through year two.
Retirees' Share of Benefit-Related Costs	For retirees hired before January 1, 2013, the Council will subsidize the retiree benefit-related costs based on years of service beginning at 60.25% with 16 years of service and increases 4.00% per year through 20 years of service then increasing 4.75% per year in years of service 21 through 25 where upon the subsidy will not exceed 100% after 25 For retirees with 30 years of service hired after December 31, 2012, the Council will subsidize 100% of the retiree benefit-related costs. For spouses, the Council will subsidize an additional 75% of the amount subsidized for single only coverage.

The discount rate was based on June 30, 2020 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee morality table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Mortality rates for retirees/disables employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2019 for males or females, as appropriate.

Changes in Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2019	\$ 2,778,484
Changes for the year:	
Service cost	154,560
Interest	91,134
Difference between expected and actual experience	33,892
Changes in assumptions/inputs	340,173
Benefit payments	(42,823)
Net changes	576,936
Balance at June 30, 2020	\$ 3,355,420

Sensitivity to the Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

	1.0% Decrease (1.45%)	Current Discount Rate (2.45%)	1.0% Increase (3.45%)
Total OPEB Liability	\$ 4,167,063	\$ 3,355,420	\$ 2,691,210

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Cost Trend Rates

The following on the next page presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.50% medical and 2.25% dental) or higher (7.50% medical and 4.25% dental) than the current healthcare cost trend rates.

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$2,590,961</u>	<u>\$3,355,420</u>	<u>\$4,358,392</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the Council recognized total OPEB expense of \$237,845. As of June 30, 2020, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 27,114	\$(675,918)
Changes in assumptions/inputs	<u>691,851</u>	<u>-</u>
Totals	<u>\$718,965</u>	<u>\$(675,918)</u>

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31,	Amount
2021	\$ (7,848)
2022	(7,848)
2023	(7,848)
2024	73,444
2025	(1,370)
Thereafter	(5,483)
Total	\$43,047

Note 15 - THRIFT PLAN

The Council established a Thrift Plan for Employees, under Internal Revenue Code Section 403 (b), for its employees, who normally work 20 or more hours per week, as of January 1, 2002. The Thrift Plan is administered by the Council.

Benefit terms, including contribution requirements, for the Thrift Plan are established and may be amended by the Council's Board of Directors. Under this plan participating employees are permitted to make elective deferrals in amounts that are within the limits of Code Sections 403(b) and 402(g) of their compensation and the Council will match 20% of the amount contributed not to exceed 7%, of the employee's compensation after two years of service. An additional 20% of the amount contributed will be added per year thereafter until the match reaches 100% after six years. For the year ended June 30, 2020 employee contributions totaled \$120,497 and the Council recognized an expense of \$75,732.

Note 15 - THRIFT PLAN (Continued)

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Council contributions and earnings on Council contributions after meeting the vesting requirements below:

<u>Year of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 2 years	0
2 but less than 3 years	20
3 but less than 4 years	40
4 but less than 5 years	60
5 but less than 6 years	80
6 or more years	100

Non-vested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the Thrift Plan's administrative expenses. For the year ended June 30, 2020, forfeitures reduced the Council's expense by \$4,618.

Note 16 - IRC SECTION 125 CAFETERIA PLAN

The Council provides an Internal Revenue Code Section 125 "Cafeteria" plan for all its full-time employees. Under this plan an eligible employee can elect to have a portion of their compensation reduced to pay for insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 17 - IN-KIND CONTRIBUTIONS

The Terrebonne Council on Aging, Inc. received various in-kind contributions during the year. The following facilities, goods and services were furnished at no cost to the Council:

- Congregate meal sites.
- Volunteer services.
- Volunteers' vehicle and travel.
- Building usage for the old main office, Bayou Towers, Neal Ransonet, Shady Oak, and Bonne Terre Village Senior Centers.
- Operating supplies and services.
- Material aide.

Note 17 - IN-KIND CONTRIBUTIONS (Continued)

While these contributions have not been reported, the offsetting expenditures have also not been reported in the governmental fund financial statements.

Note 18 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is a defendant in several lawsuits. While it is not feasible to predict or determine the outcome of these matters, it is the opinion of management that the ultimate outcome will not have a material adverse effect on the financial position of the Council. Accordingly, no obligation for claims has been recognized by the Council in the financial statements.

In June 2020, the Council filed suit against the Parish regarding the interpretation of millage language and use of millage proceeds. The Parish subsequently halted funding to the Council and filed a counter demand for the return of unused funds. The Council filed another suit requesting Terrebonne Parish to provide the Council with millage funds and information previously requested. As of January 20, 2021, litigation is still open and pending trial. In the opinion of management and its legal representatives, the ultimate outcome cannot be determined at this time.

Note 19 - BOARD OF DIRECTORS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 20 - CONTINGENCIES

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

Note 20 - CONTINGENCIES (Continued)

Component Unit's Contingencies

On July 17, 2008, the component unit signed an agreement with Terrebonne Parish Consolidated Government to receive a deferred loan in the amount of \$300,000. These funds were used to provide a driveway, parking lot, and infrastructure for utilities, sewer, water, and drainage that will supplement the new construction of a 50 unit elderly housing complex. According to the agreement, the component unit will make no payment of principal or interest as long as it agrees to occupy the property as an elderly housing facility for a term of 20 years and remain in compliance with its agreement with Terrebonne Parish Consolidated Government.

Management intends to remain in the elderly housing facility for duration of 20 years and also remain in compliance with its agreement with Terrebonne Parish Consolidated Government. Therefore, no liability has been recorded in the accompanying financial statements for such contingencies.

Note 21 - CORONAVIRUS

The recent global outbreak of the Coronavirus (COVID-19) has raised concerns regarding business and the financial markets have recently experienced volatility. While the Council has been immediately impacted by the adverse conditions in the financial markets, the long term impact on the Council's operations is uncertain at this time.

GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION

BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 7,739,729	\$ 7,600,000	\$ 607,754	\$ (6,992,246)
Charges for service	-	-	99,461	99,461
Interest income	70,000	70,000	93,625	23,625
Public support	7,414	5,419	27,786	22,367
Miscellaneous	20,804	43,318	29,185	(14,133)
Total revenues	7,837,947	7,718,737	857,811	(6,860,926)
Expenditures				
Current:				
Health and welfare:				
Salaries	321,534	360,767	310,132	50,635
Fringe	96,318	96,110	107,609	(11,499)
Travel	13,547	11,960	7,323	4,637
Operating services	404,965	282,678	389,374	(106,696)
Operating supplies	75,047	66,198	110,878	(44,680)
Other costs	681,772	786,393	303,946	482,447
Capital outlay	771,000	200,000	39,424	160,576
Total expenditures	2,364,183	1,804,106	1,268,686	535,420
Excess of revenues over expenditures	5,473,764	5,914,631	(410,875)	(6,325,506)
Other Financing Sources (Uses)				
Insurance proceeds	-	218	122	(96)
Operating transfers in	2,000	12,361	5,337	(7,024)
Operating transfers out	(5,938,384)	(5,055,721)	(3,257,136)	1,798,585
Total other financing sources (uses)	(5,936,384)	(5,043,142)	(3,251,677)	1,791,465
Net Change in Fund Balance	(462,620)	871,489	(3,662,552)	\$ (4,534,041)
Fund Balance				
Beginning of year	13,303,644	19,577,208	19,577,208	
End of year	\$ 12,841,024	\$ 20,448,697	\$ 15,914,656	

See note to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -
TITLE III B - SUPPORTIVE SERVICES FUND

Terrebonne Council on Aging, Inc.
 Houma, Louisiana

For the year ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Intergovernmental	\$ 170,567	\$ 285,211	\$ 285,211	\$ -
Public support	2,570	4,254	2,835	(1,419)
Total revenues	<u>173,137</u>	<u>289,465</u>	<u>288,046</u>	<u>(1,419)</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	631,932	577,301	449,724	127,577
Fringe benefits	189,885	153,266	126,326	26,940
Travel	7,582	7,495	8,379	(884)
Operating services	205,596	188,229	140,972	47,257
Operating supplies	21,473	33,965	12,798	21,167
Other costs	631,408	631,408	376,559	254,849
Total expenditures	<u>1,687,876</u>	<u>1,591,664</u>	<u>1,114,758</u>	<u>476,906</u>
Deficiency of revenues over expenditures	(1,514,739)	(1,302,199)	(826,712)	475,487
Other Financing Sources				
Insurance proceeds	-	-	301	301
Operating transfers in	1,514,739	1,302,199	826,411	(475,788)
Total other financing sources (uses)	<u>1,514,739</u>	<u>1,302,199</u>	<u>826,712</u>	<u>(475,487)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	
See note to required supplementary information.				

BUDGETARY COMPARISON SCHEDULE -
TITLE III C-2 - HOME DELIVERED MEALS FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 171,805	\$ 282,912	\$ 334,291	\$ 51,379
Public support	47,051	53,788	34,747	(19,041)
Miscellaneous	-	-	22,000	22,000
Total revenues	<u>218,856</u>	<u>336,700</u>	<u>391,038</u>	<u>54,338</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	975,150	975,602	747,107	228,495
Fringe benefits	292,167	258,995	179,085	79,910
Travel	2,940	2,785	2,547	238
Operating services	633,975	707,060	532,819	174,241
Operating supplies	182,326	247,017	185,807	61,210
Meals	583,000	550,750	442,227	108,523
Total expenditures	<u>2,669,558</u>	<u>2,742,209</u>	<u>2,089,592</u>	<u>652,617</u>
Deficiency of revenues over expenditures	(2,450,702)	(2,405,509)	(1,698,554)	706,955
Other Financing Sources				
Insurance proceeds	-	-	2,238	2,238
Operating transfers in	2,450,702	2,405,509	1,696,316	(709,193)
Total other financing sources (uses)	<u>2,450,702</u>	<u>2,405,509</u>	<u>1,698,554</u>	<u>(706,955)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See note to required supplementary information.

BUDGETARY COMPARISON SCHEDULE -
RURAL TRANSPORTATION FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 332,600	\$ 322,000	\$ 353,677	\$ 31,677
Charges for services	8,600	8,365	4,908	(3,457)
Total revenues	<u>341,200</u>	<u>330,365</u>	<u>358,585</u>	<u>28,220</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	551,571	476,318	324,622	151,696
Fringe benefits	165,444	126,256	78,051	48,205
Travel	904	499	771	(272)
Operating services	417,481	175,662	130,038	45,624
Operating supplies	146,280	48,701	28,211	20,490
Total expenditures	<u>1,281,680</u>	<u>827,436</u>	<u>561,693</u>	<u>265,743</u>
Deficiency of revenues over expenditures	(940,480)	(497,071)	(203,108)	293,963
Other Financing Sources				
Insurance proceeds	-	-	418	418
Operating transfers in	940,480	497,071	202,690	(294,381)
Total other financing sources (uses)	<u>940,480</u>	<u>497,071</u>	<u>203,108</u>	<u>(293,963)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY
INFORMATION BUDGETARY REPORTING**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

The Council adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- GOEA notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the year.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

**Exhibit L
(Continued)**

- The Council may transfer funds between line items as often as required but must obtain prior approval from the GOEA for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council has established policies requiring public participation in the budget process.
- The budget for special revenue funds is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- The budget is prepared on a basis in conformity with accounting principles generally accepted in the United States of America.

**SCHEDULE OF CHANGES IN THE COUNCIL'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 154,560	\$ 139,476	\$ 135,414
Interest	91,134	111,963	104,449
Changes of benefit terms	-	-	-
Difference between expected and actual experience	33,892	(1,105,977)	(16,443)
Changes in assumptions or other inputs	340,173	699,521	-
Benefit payments	<u>(42,823)</u>	<u>(39,828)</u>	<u>-</u>
Net Change in Total OPEB Liability	576,936	(194,845)	223,420
Total OPEB Liability			
Beginning of year	<u>2,778,484</u>	<u>2,973,329</u>	<u>2,749,909</u>
End of year	<u>\$ 3,355,420</u>	<u>\$ 2,778,484</u>	<u>\$ 2,973,329</u>
Covered Employee Payroll	<u>\$ 1,713,610</u>	<u>\$ 1,663,669</u>	<u>\$ 1,901,247</u>
Total OPEB liability as a percentage of covered employee payroll	<u>195.81%</u>	<u>167.01%</u>	<u>156.39%</u>
Notes to Schedule			
Changes of benefit terms	None	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period	<u>2.45%</u>	<u>3.13%</u>	<u>3.62%</u>

The schedule is provided beginning with the Council's fiscal year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

BALANCE SHEET - GOVERNMENTAL FUND -
GENERAL FUND PROGRAMS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	Programs of the General Fund		
	Ad Valorem Tax Monies	Act 735 Monies	Totals
Assets			
Cash	\$ 15,253,640	\$ -	\$ 15,253,640
Investments	742,297	-	742,297
Other receivables	7,982	-	7,982
Due from other funds	73,931	-	73,931
Advances to component unit	249,547	-	249,547
Total assets	<u>\$ 16,327,397</u>	<u>\$ -</u>	<u>\$ 16,327,397</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 140,464	\$ -	\$ 140,464
Due to other funds	272,277	-	272,277
Total liabilities	<u>412,741</u>	<u>-</u>	<u>412,741</u>
Fund Balance			
Nonspendable:			
Advances to component unit	249,547	-	249,547
Restricted for home energy assistance	927	-	927
Committed:			
Disaster relief	2,975,543	-	2,975,543
Litigation	100,000	-	100,000
St. George Property Development	7,000,000	-	7,000,000
Millage Election Renewal	70,000	-	70,000
Assigned:			
Retiree health insurance	3,355,420	-	3,355,420
Subsequent year's expenditures	434,094	-	434,094
Compensated absences	301,932	-	301,932
Special projects	383,687	-	383,687
Unassigned	1,043,506	-	1,043,506
Total fund balance	<u>15,914,656</u>	<u>-</u>	<u>15,914,656</u>
Total liabilities and fund balance	<u>\$ 16,327,397</u>	<u>\$ -</u>	<u>\$ 16,327,397</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Totals
Revenues			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs - Act 735	\$ -	\$ 100,000	\$ 100,000
Terrebonne Parish Consolidated Government	507,754	-	507,754
Charges for service	99,461	-	99,461
Interest income	93,625	-	93,625
Public support:			
Contributions	27,436	-	27,436
Other	350	-	350
Miscellaneous:			
Other	29,185	-	29,185
Total revenues	757,811	100,000	857,811
Expenditures			
Current:			
Health and welfare:			
Salaries	310,132	-	310,132
Fringe	107,609	-	107,609
Travel	7,323	-	7,323
Operating services	389,374	-	389,374
Operating supplies	110,878	-	110,878
Other costs	303,946	-	303,946
Capital outlay	39,424	-	39,424
Total expenditures	1,268,686	-	1,268,686
Excess (deficiency) of revenues over expenditures	(510,875)	100,000	(410,875)
Other Financing Sources (Uses)			
Insurance claims	122	-	122
Operating transfers in	5,337	-	5,337
Operating transfers out	(3,157,136)	(100,000)	(3,257,136)
Total other financing sources (uses)	(3,151,677)	(100,000)	(3,251,677)
Net Change in Fund Balance	(3,662,552)	-	(3,662,552)
Fund Balance			
Beginning of year	19,577,208	-	19,577,208
End of year	\$ 15,914,656	\$ -	\$ 15,914,656

COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	Special Revenue Funds							
	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund	Helping Hands Fund	No Wrong Door Service	Transportation Fund	Enhanced Mobility - Small Urban
Assets								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts receivable	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	628	-	-	-
Due from other funds	<u>898</u>	<u>945</u>	<u>997</u>	<u>666</u>	<u>2,884</u>	<u>7,301</u>	<u>275</u>	<u>5,935</u>
Total assets	<u>\$ 898</u>	<u>\$ 945</u>	<u>\$ 997</u>	<u>\$ 666</u>	<u>\$ 3,512</u>	<u>\$ 7,301</u>	<u>\$ 275</u>	<u>\$ 5,935</u>
Liabilities								
Accounts payable and accrued expenditures	\$ 898	\$ 945	\$ 997	\$ 666	\$ -	\$ -	\$ 275	\$ 5,935
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,222</u>	<u>-</u>
Total liabilities	<u>898</u>	<u>945</u>	<u>997</u>	<u>666</u>	<u>-</u>	<u>-</u>	<u>1,497</u>	<u>5,935</u>
Fund Balances (Deficit)								
Restricted for:								
Donor purposes	-	-	-	-	-	-	-	-
Assigned for:								
Utility assistance	-	-	-	-	3,512	-	-	-
Special revenue purposes	-	-	-	-	-	7,301	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,222)</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,512</u>	<u>7,301</u>	<u>(1,222)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 898</u>	<u>\$ 945</u>	<u>\$ 997</u>	<u>\$ 666</u>	<u>\$ 3,512</u>	<u>\$ 7,301</u>	<u>\$ 275</u>	<u>\$ 5,935</u>

**COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2020

	Special Revenue Funds					
	Senior RX Fund	Special Fund	Medicare Improvement for Patients and Providers Act	Schriever Senior Center Fund	Capital Projects Fund	Totals
Assets						
Cash	\$ -	\$ 850	\$ -	\$ -	\$ -	\$ 850
Contracts receivable	-	-	1,420	-	-	1,420
Other receivables	-	-	-	-	-	628
Due from other funds	<u>16,918</u>	<u>62,481</u>	<u>-</u>	<u>3,113</u>	<u>10,899</u>	<u>113,312</u>
Total assets	<u>\$ 16,918</u>	<u>\$ 63,331</u>	<u>\$ 1,420</u>	<u>\$ 3,113</u>	<u>\$ 10,899</u>	<u>\$ 116,210</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 72	\$ 2,397	\$ 14	\$ -	\$ -	\$ 12,199
Due to other funds	<u>-</u>	<u>-</u>	<u>81</u>	<u>-</u>	<u>-</u>	<u>1,303</u>
Total liabilities	<u>72</u>	<u>2,397</u>	<u>95</u>	<u>-</u>	<u>-</u>	<u>13,502</u>
Fund Balances (Deficit)						
Restricted for:						
Donor purposes	-	11,159	-	-	10,899	22,058
Assigned for:						
Utility assistance	-	-	-	-	-	3,512
Special revenue purposes	16,846	49,775	1,325	3,113	-	78,360
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,222)</u>
Total fund balances	<u>16,846</u>	<u>60,934</u>	<u>1,325</u>	<u>3,113</u>	<u>10,899</u>	<u>102,708</u>
Total liabilities and fund balances	<u>\$ 16,918</u>	<u>\$ 63,331</u>	<u>\$ 1,420</u>	<u>\$ 3,113</u>	<u>\$ 10,899</u>	<u>\$ 116,210</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	Special Revenue Funds							Enhanced Mobility - Small Urban
	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund	Helping Hands Fund	No Wrong Door Service	Transportation Fund	
Revenues								
Intergovernmental:								
State of Louisiana:								
Governor's Office of Elderly Affairs	\$ 5,102	\$ 229,240	\$ 6,532	\$ 55,349	\$ -	\$ -	\$ -	\$ -
Terrebonne Parish Consolidated Government	-	-	-	-	1,370	-	-	-
Charges for services	-	4	-	-	-	-	356	-
Public support:								
Contributions	-	8,450	-	-	-	-	-	-
Miscellaneous:								
Program income	-	13	-	-	-	-	-	-
Total revenues	<u>5,102</u>	<u>237,707</u>	<u>6,532</u>	<u>55,349</u>	<u>1,370</u>	<u>-</u>	<u>356</u>	<u>-</u>
Expenditures								
Current:								
Health and welfare:								
Salaries	2,309	175,981	-	18,959	-	-	2,200	143,169
Fringe benefits	602	50,059	-	4,551	-	-	568	35,680
Travel	19	1,163	-	838	-	-	15	257
Operating services	2,056	114,256	-	6,360	-	-	2,394	47,536
Operating supplies	116	29,271	-	267	-	-	134	12,694
Other costs	-	-	6,532	46,008	-	-	-	-
Meals	-	61,720	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>5,102</u>	<u>432,450</u>	<u>6,532</u>	<u>76,983</u>	<u>-</u>	<u>-</u>	<u>5,311</u>	<u>239,336</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(194,743)</u>	<u>-</u>	<u>(21,634)</u>	<u>1,370</u>	<u>-</u>	<u>(4,955)</u>	<u>(239,336)</u>
Other Financing Sources (Uses)								
Operating transfers in	-	220,433	-	21,634	1,370	-	2,713	239,336
Operating transfers out	-	(25,690)	-	-	(1,370)	-	-	-
Total other financing sources	<u>-</u>	<u>194,743</u>	<u>-</u>	<u>21,634</u>	<u>-</u>	<u>-</u>	<u>2,713</u>	<u>239,336</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,370</u>	<u>-</u>	<u>(2,242)</u>	<u>-</u>
Fund Balances (Deficit)								
Beginning of year	-	-	-	-	2,142	7,301	1,020	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,512</u>	<u>\$ 7,301</u>	<u>\$ (1,222)</u>	<u>\$ -</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

	Special Revenue Funds					Totals
	Senior RX Fund	Special Fund	Medicare Improvement for Patients and Providers Act	Schriever Senior Center Fund	Capital Projects Fund	
Revenues						
Intergovernmental:						
State of Louisiana:						
Governor's Office of Elderly Affairs	\$ 75,368	\$ -	\$ 7,790	\$ -	\$ -	\$ 379,381
Terrebonne Parish Consolidated Government	-	-	-	-	-	1,370
Charges for services	-	-	-	-	-	360
Public support:						
Contributions	-	10,893	-	-	-	19,343
Miscellaneous:						
Program income	-	5,708	-	1,887	-	7,608
Total revenues	<u>75,368</u>	<u>16,601</u>	<u>7,790</u>	<u>1,887</u>	<u>-</u>	<u>408,062</u>
Expenditures						
Current:						
Health and welfare:						
Salaries	33,659	44,677	3,792	-	-	424,746
Fringe benefits	10,382	8,655	1,090	-	-	111,587
Travel	258	78	23	-	-	2,651
Operating services	9,854	10,833	1,432	-	-	194,721
Operating supplies	4,369	17,213	128	-	-	64,192
Other costs	-	-	-	-	-	52,540
Meals	-	-	-	-	-	61,720
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>58,522</u>	<u>81,456</u>	<u>6,465</u>	<u>-</u>	<u>-</u>	<u>912,157</u>
Excess (deficiency) of revenues over expenditures	<u>16,846</u>	<u>(64,855)</u>	<u>1,325</u>	<u>1,887</u>	<u>-</u>	<u>(504,095)</u>
Other Financing Sources (Uses)						
Operating transfers in	-	71,923	-	-	-	557,409
Operating transfers out	-	(3,967)	-	-	-	(31,027)
Total other financing sources	<u>-</u>	<u>67,956</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>526,382</u>
Net Change in Fund Balances	<u>16,846</u>	<u>3,101</u>	<u>1,325</u>	<u>1,887</u>	<u>-</u>	<u>22,287</u>
Fund Balances (Deficit)						
Beginning of year	-	57,833	-	1,226	10,899	80,421
End of year	<u>\$ 16,846</u>	<u>\$ 60,934</u>	<u>\$ 1,325</u>	<u>\$ 3,113</u>	<u>\$ 10,899</u>	<u>\$ 102,708</u>

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2020

Agency Head Name: Diana Edmonson, Executive Director

Purpose

Salary	\$ 180,877
Benefits - insurance	6,954
Benefits - retirement	13,081
Benefits - other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Unvouchered expenses	5,441
Travel	-
Registration fees	220
Conference travel	-
Continuing professional education fees	-
Housing	-
Meals	-
	<hr/>
	<u>\$ 212,573</u>

COMPARATIVE STATEMENT OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Adjustments /Deletions	Balance June 30, 2020
Capital Assets, at Cost:				
Land	\$ 1,694,456	\$ -	\$ -	\$ 1,694,456
Construction in progress	-	-	-	-
Buildings and leasehold improvements	7,547,022	-	-	7,547,022
Office furniture, fixtures, and equipment	536,209	6,505	-	542,714
Vehicles, machinery, and equipment	2,488,035	32,919	-	2,520,954
Total capital assets	<u>\$ 12,265,722</u>	<u>\$ 39,424</u>	<u>\$ -</u>	<u>\$ 12,305,146</u>
Investment in Capital Assets:				
Property acquired with funds from -				
General and other funds	\$ 7,168,559	\$ 39,424	\$ -	\$ 7,207,983
Capital Projects Fund	4,925,092	-	-	4,925,092
Title III C - 1 - Congregate Meals	-	-	-	-
Title III F - Disease Prevention and Health Promotion Services	-	-	-	-
Senior citizens	161,918	-	-	161,918
Senior Rx	-	-	-	-
Disaster assistance	10,153	-	-	10,153
Total investment in capital assets	<u>\$ 12,265,722</u>	<u>\$ 39,424</u>	<u>\$ -</u>	<u>\$ 12,305,146</u>

UNITS OF SERVICE**Terrebonne Council on Aging, Inc.**

Houma, Louisiana

For the years ended June 30, 2020 and 2019

(Unaudited)

	Units	
	2020	2019
Title III B - Supportive Services Fund:		
Information and assistance	2,589	2,789
Personal care	12,131	12,413
Outreach	486	693
Homemaker	11,205	12,675
Recreation	14,184	21,582
Transportation	33,778	44,209
Legal	126	99
Material aid	21,433	26,148
Visiting	316	440
Telephone	13,472	1,633
Wellness	10,682	14,734
Public education	37	-
Title III C-1 - Congregate Meals Fund:		
Congregate meals	22,891	34,845
Title III C-2 - Home Delivered Meals Fund:		
Home delivered meals	150,196	158,194
Title III D - Preventive Health Fund:		
Wellness	316	685
Title III E - National Family Caregiver Program Fund:		
Information and assistance	407	322
Caregiver services	2,184	2,184
Material aid	419	415

**Schedule 7
(Continued)**

	Units	
	2020	2019
Social Services Block Grant		
Utility assistance	-	452
Local		
Caregiver services	15,067	-
Home delivered meals	5,213	-
Material aid	2,011	-
Transportation	7,868	-
Other	3,872	-
Other		
Admin	27	-
Aging and Disability Resource Center	2,567	-
Rural transportation	4,912	-
Med management	49	-
Nutrition education	13	-

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

**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,
Terrebonne Council on Aging, Inc.,
Houma, 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 of America, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. (the "Primary Government"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated January 20, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Primary Government'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Primary Government's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency, is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention of those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that are material weaknesses or, significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Cost as item 2020-001.

Terrebonne Council on Aging, Inc.'s Response to Findings

The Council's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Cost. The Council's response was not subject 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 Primary Government'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 suited for any other purpose.



Certified Public Accountants.

Houma, Louisiana,
January 20, 2021.

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

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of the Terrebonne Council on Aging, Inc., (the "Primary Government") a component unit of Terrebonne Parish Consolidated Government, State of Louisiana with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the Primary Government's major federal programs for the year ended June 30, 2020. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Primary Government's major federal program 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 the 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 Primary Government'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 the major federal programs. However, our audit does not provide a legal determination on the Primary Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Primary Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit, we considered the Primary Government's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Primary Government'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 the internal control over compliance was for the limited purpose described in the first paragraph in 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 weakness. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bougeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
January 20, 2021.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**Terrebonne Council on Aging, Inc.**
(The Primary Government)

For the year ended June 30, 2020

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Federal Revenue Recognized	Federal Expenditures	Subrecipients
Department of Transportation						
<u>Pass-Through Program From:</u>						
<u>Louisiana Department of Transportation and Development</u>						
<u>Terrebonne Parish Consolidated Government:</u>						
Public Transportation Operating Assistance Program for the Non-urbanized Area	20.509	6/30/2020	\$353,677	\$353,677	\$ 353,677	\$ -
Department of Health and Human Services:						
Administration on Aging:						
<u>Pass-Through Program From:</u>						
<u>Louisiana Governor's Office of Elderly Affairs:</u>						
Aging Cluster:						
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/2020	101,932	101,932	101,932	-
Title III, Part C - Nutrition Services (Area Agency Administration)	93.045	6/30/2020	4,500	4,500	4,500	-
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/2020	112,934	112,934	112,934	-
Title III, Part C-1 - Nutrition Services - Families First Coronavirus Response Act (Congregate Meals)	93.045	6/30/2020	25,690	25,690	25,690	-
Title III, Part C-2 - Nutrition Services (Home Delivered Meals)	93.045	6/30/2020	110,553	110,553	110,553	-
Title III, Part C-2 - Nutrition Services - Families First Coronavirus Response Act (Home Delivered Meals)	93.045	6/30/2020	51,379	51,379	51,379	-
Subtotal CFDA #93.045			305,056	305,056	305,056	-
Nutrition Services Incentive Program	93.053	6/30/2020	142,852	142,852	142,852	-
Total Aging Cluster			549,840	549,840	549,840	-
Special Programs for the Aging:						
Title III, Part D - Preventive Health Services	93.043	6/30/2020	7,529	7,529	7,529	-
Title III, Part E - National Family Caregiver Program	93.052	6/30/2020	41,512	41,512	41,512	-
Medical Enrollment Assistance Program	93.071	6/30/2020	10,085	10,085	10,085	-
Total Department of Health and Human Services			608,966	608,966	608,966	-
Total Terrebonne Council On Aging, Inc.			\$962,643	\$962,643	\$962,643	\$ -

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc. (The Primary Government)

June 30, 2020

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Terrebonne Council on Aging, Inc. (the "Primary Government") under programs of the federal government for the year ended June 30, 2020. The information in the SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a selected portion of the operation of the Council it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. 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.
- (2) The Council has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - SUBRECIPIENTS

The Terrebonne Council on Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note 4 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2020.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Terrebonne Council on Aging, Inc.
(The Primary Government)**

For the year ended June 30, 2020

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Noncompliance material to financial statements noted? Yes No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes None reported

Type of auditor's report issued on compliance for major programs Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Guidance Requirements? Yes No

Section I Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
Aging Cluster:	
93.044	Title III, Part B - Supportive Services and Senior Centers
93.045	Title III, Part C - Nutrition Services (Area Agency Administration)
93.053	Nutrition Services Incentive Program
Dollar threshold used to distinguish between Type A and Type B programs: <u>\$750,000</u>	
Auditee qualified as a low-risk auditee? <u> X </u> Yes <u> </u> No	

Section II Financial Statement Findings

2020-001 Budget Variance

Criteria - State Law, R.S. 39:1311, requires the chief executive or administrative officer to advise the governing authority when budgeted revenues will not be received in comparison to actual receipts by 5% or more.

Condition - Budgeted General Fund revenues were significantly higher than actually received during the fiscal year, by over 88%.

Cause - At the time of amending the budget, the Council elected not to amend contribution grant revenue when it was determined that these funds would not be received.

Effect - By not amending the budget for the revenues that will not be received, the budget variance exceeded the 5% limit.

Recommendation - Procedures should be implemented to require budget amendments as soon as information is known to the Council.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2020.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2020

Section I Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ending June 30, 2019.

No significant deficiencies were reported during the audit for the year ending June 30, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ending June 30, 2019.

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2019.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2020

Section I Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ending June 30, 2020.

No significant deficiencies were reported during the audit for the year ending June 30, 2020.

Compliance and Other Matters

2020-001 Budget Variance

Recommendation - Procedures should be implemented to require budget amendments as soon as information is known to the Council.

Management's Response - In the future when significant revenues are not expected to be received before year end, the Board will then consider a budget amendment to reduce the budgeted revenues.

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings on questioned costs reported during the audit for the year ended June 30, 2020.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2020.