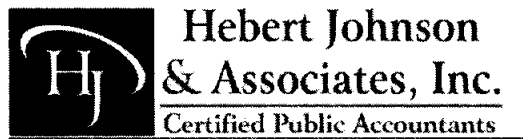


St. Helena Council on the Aging, Inc.
Bogalusa, Louisiana
Annual Financial Statements
As of and for the Year Ended June 30, 2020



A Professional Accounting Corporation



TABLE OF CONTENTS

Financial Report

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2020

Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
A. Government-Wide Financial Statements:	
• Exhibit A - Statement of Net Position	19
• Exhibit B - Statement of Activities	20
B. Fund Financial Statements:	
• Exhibit C - Fund Balance Sheet - Governmental Funds	22
• Exhibit D - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	23
• Exhibit E - Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
C. Notes to the Financial Statements - Exhibit F	25

Supplementary Financial Information Required by GASB Statement 34:

- **Budgetary Comparison Schedule - General Fund** 54
- **Budgetary Comparison Schedule - Title III B Fund** 55
- **Budgetary Comparison Schedule - Title III C-1 Fund** 56
- **Budgetary Comparison Schedule - Title III C-2 Fund** 57
- **Notes to Required Supplementary Information** 58

Supplementary Financial Information Required By GOEA:

- **Combining Schedule of Revenues, Expenditures, and Changes In Fund Balance - Nonmajor Governmental Funds** 61
- **Comparative Schedule of Capital Assets and Changes in Capital Assets** 62

Supplementary Financial Information Required by Louisiana Law:

- **Schedule of Compensation, Benefits, and Other Payments to the Council's Executive Director** 64

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* 65

Schedule of Current Year Audit Findings, Recommendations and Responses 67

Schedule of Prior Year Findings 72

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

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



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

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

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Council on Aging, Inc., Greensburg, Louisiana, (the Council) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 4 through 17) and budgetary comparison information (pages 54 through 58) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance -

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2021 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Chris Johnson

Hebert Johnson & Associates, Inc.
A Professional Accounting Corporation
Ponchatoula, Louisiana
January 7, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

St. Helena Council on the Aging, Inc.

June 30, 2020

The following discussion and analysis of the St. Helena Council on the Aging, Inc.'s (the Council) financial performance provides an overview of the Council's financial performance and activities for the year ended June 30, 2020. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

Financial Highlights

- The Council showed a decrease in overall net position of \$7,001, or about 23% this year.
- Capital assets, net of depreciation, decreased by \$6,949, or about 74%.
- The Council's fund revenues increased by \$103,031, or about 26%.
- Fund expenditures increased by \$19,044, or about 4%.
- The unassigned fund balance for the Council's General Fund decreased to \$2,891 from \$5,838. This is about a 50% decrease from last year.
- No deficit fund balances existed at year-end.
- The Council had no long-term debt at the end of the year but does have \$47,750 in short-term debt, which was received from the SBA through the Paycheck Protection Program.
- Administrative expenses increased this year by \$19,420, which is about a 15% increase from last year.

How To Use this Annual Report

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

On page 65 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Council, along with notes to the financial statements.

Government-Wide Financial Statements

Management's analysis of the Council as a whole begins on page 9. An important point to consider is whether or not the Council's finances, as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities (referred to collectively as the government-wide financial statements) reports information about the Council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

The Statement of Net Position (Exhibit A) is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. The Council has restricted net position of \$7,183, which must be used for specific purposes, whereas \$13,501 of its net position is unrestricted, meaning that it can be used for any program at management's discretion.

The Statement of Activities (Exhibit B) provides information that shows how the Council's net position changed as a result of this year's activities. This year the Council's net position decreased by \$7,001. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nonelderly transportation, nutritional services, and family caregiver support. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the service are not required to pay for what they receive. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Fund Financial Statements

The fund financial statements (Exhibits C and D) provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, the reader will see a General Fund and three Special Revenue Funds that have been

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

determined to be *Major Funds*, and a column for the total of all remaining Special Revenue Funds, which are considered to be *Nonmajor Funds*. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future for Council programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for governmental funds. In addition, the difference between the change in fund balances for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

Notes to the Financial Statements

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

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has an adopted annual budget. The schedules compare the original budget amounts and, if applicable, the final budget amounts to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present two additional schedules as supplementary information. This information will be used by GOEA to verify the accuracy of the information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

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

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

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

The following table reflects condensed information on the Council's assets, liabilities, and net position for fiscal years 2020 and 2019:

	2020	2019	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 103,455	\$ 40,036	\$ 63,419
Other Assets	3,406	1,723	1,683
Capital Assets, net of depreciation	2,401	9,350	(6,949)
Total Assets	<u>109,262</u>	<u>51,109</u>	<u>58,153</u>
Current Liabilities	<u>86,177</u>	<u>21,023</u>	<u>65,154</u>
Total Liabilities	<u>86,177</u>	<u>21,023</u>	<u>65,154</u>
Net Position			
Net Investment in Capital Assets	2,401	9,350	(6,949)
Restricted	7,183	7,183	0
Unrestricted	13,501	13,553	(52)
Total Net Position	<u>\$ 23,085</u>	<u>\$ 30,086</u>	<u>\$ (7,001)</u>

As of June 30, 2020, and 2019, the Council *as a whole* had assets greater than its liabilities of \$23,085 and \$30,086, respectively. About 58% and 45% of the Council's total net positions are unrestricted as of June 30, 2020 and 2019, respectively. Unrestricted net position is important because it represents resources that management has available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

The Council's restricted net position represents about 31% and 24% of the Council's total net position as of June 30, 2020 and 2019, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net investment in the capital assets portion of net position is presented net of any related outstanding debt to acquire them. There is, however, no debt to be subtracted

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

from the capital assets as of June 30, 2020. Net investment in capital assets represents about 10% of total net position at the end of 2020 compared to 31% at the end of 2019.

The following table illustrates the revenues and expenses that produced the change in net position for fiscal years 2020 and 2019.

Revenues	2020	% of Total	2019	% of Total
Program Revenues:				
Charges for services	\$ 13,514	2.68%	\$ 8,142	2.04%
Operating Grants and Contributions	189,616	37.54%	152,827	38.34%
General Revenues:				
Property Taxes	159,738	31.62%	158,063	39.66%
Unrestricted Grants and Contributions	136,540	27.03%	77,521	19.45%
Interest Income	66	0.01%	349	0.09%
Proceeds from Insurance	3,567	0.71%	0	0.00%
Miscellaneous Income	2,073	0.41%	1,663	0.42%
Total Revenues	505,114	100.00%	398,565	100.00%
Direct Program Expenses of the Health, Welfare, and Social Services Function:				
Supportive Services:				
Transportation of the elderly	167,919	32.79%	138,885	31.73%
Other supportive services	33,606	6.56%	32,027	7.32%
Transportation Services-non-elderly	29,633	5.79%	16,294	3.72%
Nutrition Services:				
Congregate Meals	48,282	9.43%	50,597	11.56%
Home-delivered Meals	80,270	15.67%	67,937	15.52%
Other Health, Welfare & Social Services	785	0.15%	835	0.19%
Interest Expense	2,534	0.49%	1,515	0.35%
Direct Administrative Expenses	149,086	29.11%	129,666	29.62%
Total Expenses	512,115	100.00%	437,756	100.00%
Excess of expenses over revenues before special item	(7,001)		(39,191)	
Special item - Gain on sale of land	0		5,694	
Increase (Decrease) in Net Position after special item	(7,001)		(33,497)	
Net position, beginning of year	30,086		63,583	
Net position, end of year	\$ 23,085		\$ 30,086	

For 2020, the Council's total revenues increased \$106,549 or about 27% from 2019. Total expenses for 2020 increased by \$74,359 or about 17% from 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the Council gets most of its revenues from *operating grants & contributions*, which are specifically related to a program and must be used in the programs to which they relate, followed closely by a *property tax*. *Unrestricted grants and contributions* make up the third largest percentage of revenues and this revenue is available to management to use at its discretion. *Charges for services* arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The *administrative expenses* include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

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

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*. The Council's ability to support all governmental activities relies heavily on general revenues. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

Another indication of how money is used efficiently or inefficiently can be analyzed by comparing the amount of administration costs from year-to-year as well as calculating

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

the percentage administration expenses bears in relation to total expenses. For 2020, total administration expenses were \$149,086 or about 29.11% of total expenses, whereas these same expenses were \$129,666 or 29.6% of total expenses in 2019. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

This year the Council had no special items where as last year it had one special item, which was a gain of \$5,694 from the sale of some land that it had purchased in November 2015.

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

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$14,582 (see Exhibit C), an increase of \$1,561 when compared to last year. The unassigned fund balance component of the General Fund was \$2,891 whereas last year it was \$5,838. The remainder of the fund balance consists of \$7,183 of restricted resources. None of the special revenue funds had a fund balance at year-end.

Revenues

The combined fund revenues increased \$103,031 this year versus last year, as shown in the table below.

	% of 2020		% of 2019		Increase/(Decrease)	
	2020	Total	2019	Total	Amount	Percent
Intergovernmental	\$ 317,515	62.62%	\$ 219,637	54.36%	97,878	44.56%
Property Taxes	165,231	32.59%	163,507	40.47%	1,724	1.05%
Program Service Fees	13,514	2.67%	8,142	2.02%	5,372	65.98%
Public Support	8,641	1.70%	10,678	2.64%	(2,037)	-19.08%
Interest Income	66	0.01%	349	0.09%	(283)	-81.09%
Miscellaneous Income	2,073	0.41%	1,696	0.42%	377	22.23%
Total Revenues	\$ 507,040	100.00%	\$ 404,009	100.00%	\$ 103,031	25.50%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The **intergovernmental revenues** are comprised of federal and state grants. These grants amounted to approximately 63% and 54% of the Council's total revenues in 2020 and 2019, respectively. Most of these grants are restricted, which means the money can only be used in certain programs. The amount of annual funding from the grants the Council receives is usually constant from year-to-year. However, in any given year some grant amounts may change based upon the level of service provided by the Council and, on occasion, the state legislature appropriates extra funds for council on aging entities around the state. For FY20 the Council received additional PCOA funds of \$62,500.

The Council received **property tax revenue** which accounted for approximately 33% and 40% of the Council's total revenues in 2020 and 2019, respectively. The Council has no control over how much property tax revenue it receives each year because the amount depends on the assessed value of property subject to tax within St. Helena Parish. Without the property tax revenue, the Council could not provide the current level of services to its elderly clients.

Program service fees are mainly composed of fees charged by the Council to transport people under age 60. The fees for this service increased by \$5,372 or 66% this year because the demand for this service has increased.

The Council also receives **public support** in the form of restricted and unrestricted donations from its clients and the general public. Public support helps the Council to maintain and expand services. Public support revenues represented 1.7% and 2.6% of the Council's total revenues for fiscal years 2020 and 2019, respectively. Public support comes from donations from the general public and client contributions. Because this source of income is voluntarily given, the Council cannot predict the amount it will receive each year with certainty. Historically, at least 90% of the total public support is restricted. This year the Council received \$5,969 of restricted public support for its congregate meals program and \$2,045 for home-delivered meals.

Miscellaneous revenues in 2020 include \$1,833 of dividend income from LWCC.

The other revenue sources are insignificant and require no explanation.

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

Expenditures

Total expenditures increased overall by \$19,044 this year, as shown in the table below.

	% of 2020		% of 2019		Increase/(Decrease)	
	2020	Total	2019	Total	Amount	Percent
Personnel	\$ 239,767	47.10%	\$ 214,162	43.71%	\$ 25,605	11.96%
Fringe	22,619	4.44%	20,979	4.28%	1,640	7.82%
Travel	1,665	0.33%	1,512	0.31%	153	10.12%
Operating Services	114,517	22.50%	77,173	15.75%	37,344	48.39%
Operating Supplies	44,172	8.68%	37,526	7.66%	6,646	17.71%
Other Costs	13,555	2.66%	19,284	3.94%	(5,729)	-29.71%
Meals	55,569	10.92%	42,104	8.59%	13,465	31.98%
Full Service	4,289	0.84%	5,634	1.15%	(1,345)	-23.87%
Capital Outlay	0	0.00%	0	0.00%	0	0.00%
Intergovernmental	10,359	2.03%	5,444	1.11%	4,915	90.28%
Debt Service	2,534	0.50%	66,184	13.51%	(63,650)	-96.17%
	<u>\$ 509,046</u>	100.00%	<u>\$ 490,002</u>	100.00%	<u>\$ 19,044</u>	<u>3.89%</u>

Personnel expenditures increased about 12% when compared to last year. Each year changes in personnel costs will arise primarily because there are fluctuations in hours worked, new hires, and employee attrition. The Council typically employs about 16 people at any given time throughout the year. Most employees received an increase in pay equal to between 3% and 6% during the year.

Fringe expenditures increased \$1,640 primarily because FICA taxes increased. FICA taxes increased because personnel costs also increased.

Travel expenditures increased by \$153 from last year for various reasons, none of which was individually significant.

Operating service expenditures increased \$37,344 mainly due to an increase in vehicle maintenance (\$24,414), rent expense (\$8,640), and general liability insurance (\$2,952).

Operating supplies expenditures increased by \$6,646 when compared to last year. The main reason for this increase is due to the increased need for supplies related to the COVID 19 Pandemic (\$5,677) and small dollar equipment purchases (1,086).

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Other costs decreased \$5,729 for various reasons. Some of the more notable expenditure decreases were conferences and training (\$2,191), background checks (\$456), late fees (\$932), and bank charges (\$2,348).

Meals expenditures increased \$13,465 because more meals were served. This year the Council served 31,425 home-delivered meals, whereas last year the Council served 25,480. This increase (5,945) was due to clients being unable to come to the congregate meal sites due to COVID-19, so they had to have meals delivered to their homes.

Full-service expenditures decreased by \$1,345 this year because the Council provided 42 fewer units of homemaker services and 15 fewer units of medica alert services.

Capital outlay expenditures had no changes because the Council did not have any capital outlay expenditures in either fiscal year.

Intergovernmental expenditures increased by \$4,915 mainly due to the Council having to pay \$4,866 as *matching funds* for a vehicle that was purchased by the St. Helena Parish Police Jury for use by the Council.

Debt Service expenditures decreased by \$63,650 because the Council no longer had the loan which related to a property that was sold in 2019.

Special Item: This year the Council had no special items. Special items are significant transactions or events that are either unusual in nature or infrequent in occurrence and that are within the control of the Council's management.

AN ANALYSIS OF THE GENERAL FUND BUDGET

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

The budget for the year forecasted an operating surplus of \$64,748 whereas the actual surplus was \$1,561 resulting in an unfavorable variance of \$63,187. In many cases, favorable and unfavorable variances on the various expenditure line items of the General Fund are a result of what has occurred within the operations of the various special revenue funds. The primary reasons for this net unfavorable variance can be summed up as follows:

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

- Actual personnel expenditures were over budget by \$10,245.
- Actual operating services expenditures were over budget by \$6,302.
- Actual intergovernmental expenditures were over budget by \$4,859.
- Actual transfers out to other programs were over budget by \$42,635.

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

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$2,401 in total capital assets, net of accumulated depreciation. This amount is a net decrease from last year of \$6,949.

	Capital Assets, Net of Depreciation		
	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Vehicles	2,401	9,350	(6,949)
Equipment	0	0	0
	<u>\$ 2,401</u>	<u>\$ 9,350</u>	<u>\$ (6,949)</u>

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

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS

For FY 2021, the management has initially budgeted \$626,013 of revenues and \$456,941 of expenditures creating a budgeted surplus. In setting its budget for FY 2021, it was important to management that at least the same level of service be delivered to clients and the public as were provided in FY 2020.

The Council receives most of its funding from property taxes and federal and state grants. These main revenue sources provide steady income that the Council can rely on from year-to-year. For FY 2021 the Council expects its property tax revenue to approximate \$168,500, which is slightly more than FY 2020’s revenue. Nothing has come to

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

management's attention to indicate an adverse decline in property tax revenue for next year. In addition, all the Council's grants and contracts from the usual federal and state agencies have been approved for FY 2021.

The budget that was submitted to Capital Area Agency on Aging (CAAA) for the programs that CAAA will fund for FY 2021 has been approved by CAAA.

CONTACTING THE COUNCIL'S MANAGEMENT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

EXHIBIT A

STATEMENT OF NET POSITION
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2020

	Governmental Activities
ASSETS	
Current Assets:	
Cash	\$ 54,601
Property taxes receivable	3,144
Government grants and contracts receivable	38,506
Prepaid insurance	4,508
Prepaid vehicle lease	2,696
Total current assets	103,455
Other Asset - prepaid expense for long-term vehicle use	3,406
Capital Assets:	
Other capital assets, net of accumulated depreciation	2,401
Total capital assets	2,401
Total Assets	109,262
LIABILITIES	
Current Liabilities:	
Accounts payable	22,962
Note payable - line of credit	10,000
Accrued and withheld payroll taxes	5,465
SBA - Paycheck Protection Plan Loan	47,750
Total current liabilities	86,177
NET POSITION	
Net investment in capital assets	2,401
Restricted for utility assistance	2,540
Restricted for material aid	4,643
Unrestricted	13,501
Total Net Position	\$ 23,085

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

STATEMENT OF ACTIVITIES

EXHIBIT B

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020

Net (Expense)
Revenue and
Increase
(Decrease) in
Net Position

Functions/Programs	Program Revenues					Total Governmental Activities
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation of the Elderly	\$ 167,919	\$ 81,444	\$ 0	\$ 113,376	\$ 0	\$ (135,987)
Information and Assistance	13,876	7,221	0	7,423	0	(13,674)
Material Aid	10,075	5,243	0	0	0	(15,318)
Outreach	0	0	0	377	0	377
Telephoning	5,218	2,715	0	2,395	0	(5,538)
Homemaker	2,893	0	0	4,200	0	1,307
Medic Alert Devices	1,544	0	0	1,590	0	46
Transportation Services - nonelderly:						
General Public	29,633	14,361	13,514	17,791	0	(12,689)
Nutrition Services:						
Congregate Meals	48,282	20,266	0	15,649	0	(52,899)
Home Delivered Meals	80,270	17,836	0	26,425	0	(71,681)
Family Caregiver Support	200	0	0	390	0	190
Other Activities	585	0	0	0	0	(585)
Interest	2,534	0	0	0	0	(2,534)
Administration	149,086	(149,086)	0	0	0	0
Total governmental activities	\$ 512,115	\$ 0	\$ 13,514	\$ 189,616	\$ 0	\$ (308,985)

General Revenues:

Property taxes, net of \$5,493 withheld by the sheriff for pensions	159,738	
Grants and contributions not restricted to specific programs	136,540	
Interest income	66	
Proceeds from insurance	3,567	
Miscellaneous income	2,073	
Total General Revenues	301,984	
Increase (Decrease) in net position		(7,001)
Net Position - beginning of the year		30,086
Net Position - end of the year		\$ 23,085

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

FUND FINANCIAL STATEMENTS

**FUND BALANCE SHEET
GOVERNMENTAL FUNDS**

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2020

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash	\$ 35,916	\$ 0	\$ 0	\$ 18,685	\$ 0	\$ 54,601
Property tax receivable	3,144	0	0	0	0	3,144
Government Grants and Contracts Receivable:						
St. Helena Parish Police Jury - (Section 5311)	3,084	17,473	0	0	0	20,557
Capital Area Agency on Aging (CAAA)	0	6,014	7,296	4,249	390	17,949
Prepaid insurance	4,508	0	0	0	0	4,508
Due from other governmental funds	31,044	0	0	0	0	31,044
	<u>77,696</u>	<u>23,487</u>	<u>7,296</u>	<u>22,934</u>	<u>390</u>	<u>131,803</u>
Total Assets	\$ 77,696	\$ 23,487	\$ 7,296	\$ 22,934	\$ 390	\$ 131,803
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	48	0	0	22,914	0	22,962
Note payable - line of credit	10,000	0	0	0	0	10,000
Accrued and withheld payroll taxes	5,316	107	22	20	0	5,465
SBA - Paycheck Protection Plan Loan	47,750					47,750
Due to other governmental funds	0	23,380	7,274	0	390	31,044
	<u>63,114</u>	<u>23,487</u>	<u>7,296</u>	<u>22,934</u>	<u>390</u>	<u>117,221</u>
Total Liabilities	63,114	23,487	7,296	22,934	390	117,221
Fund Balances						
Nonspendable - prepaid expenditures	4,508	0	0	0	0	4,508
Restricted for utility assistance	2,540	0	0	0	0	2,540
Restricted for material aid	4,643	0	0	0	0	4,643
Unassigned	2,891	0	0	0	0	2,891
	<u>14,582</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>14,582</u>
Total Fund Balances	14,582	0	0	0	0	14,582
Total Liabilities and Fund Balances	\$ 77,696	\$ 23,487	\$ 7,296	\$ 22,934	\$ 390	
Amounts reported for governmental activities in the statement of net position are different because:						
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						2,401
- Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds						6,102
Net Position of Governmental Activities						<u>\$ 23,085</u>

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

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Nonmajor Funds	Total Governmental Funds
REVENUES						
Intergovernmental	\$ 153,704	\$ 129,361	\$ 9,680	\$ 24,380	\$ 390	\$ 317,515
Property tax	165,231	0	0	0	0	165,231
Program service fees	13,514	0	0	0	0	13,514
Public Support	627	0	5,969	2,045	0	8,641
Interest Income	66	0	0	0	0	66
Miscellaneous	2,073	0	0	0	0	2,073
Total revenues	335,215	129,361	15,649	26,425	390	507,040
EXPENDITURES						
Health, Welfare, & Social Services:						
Current:						
Personnel	21,733	153,075	35,023	29,751	185	239,767
Fringe	2,069	14,437	3,328	2,770	15	22,619
Travel	132	1,273	168	92	0	1,665
Operating Services	12,093	75,724	11,175	15,525	0	114,517
Operating Supplies	5,255	31,699	4,061	3,157	0	44,172
Other Costs	992	6,237	5,484	842	0	13,555
Meals	292	0	9,308	45,969	0	55,569
Full Service	0	4,289	0	0	0	4,289
Capital Outlay	0	0	0	0	0	0
Intergovernmental	10,359	0	0	0	0	10,359
Debt Service - interest	2,534	0	0	0	0	2,534
Total expenditures	55,459	286,734	68,547	98,106	200	509,046
Excess of revenues over (under) expenditures	279,756	(157,373)	(52,898)	(71,681)	190	(2,006)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	190	157,373	52,898	71,681	0	282,142
Operating transfers out	(281,952)	0	0	0	(190)	(282,142)
Proceeds from insurance	3,567	0	0	0	0	3,567
Total other financing sources (uses)	(278,195)	157,373	52,898	71,681	(190)	3,567
Net increase (decrease) in fund balances	1,561	0	0	0	0	1,561
FUND BALANCE (DEFICIT)						
Beginning of year	13,021	0	0	0	0	13,021
End of year	\$ 14,582	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,582

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

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

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$	1,561
<p>Governmental funds report the amounts the Council expends as local "matching" funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Assets as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which amortization expense (\$6,479) exceeded intergovernmental expenditures (\$4,866) for van match this year.</p>		
		(1,613)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$6,949) exceeds capital outlay expenditures (\$0) in this year.</p>		
		(6,949)
Increase (Decrease) of Net Position of Governmental Activities	\$	<u>(7,001)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2020**

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

The accounting and reporting policies of St. Helena Council on the Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

a. Purpose of the Council on Aging

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

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

b. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

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

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

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

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

c. Basis of Presentation of the Basic Financial Statements

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

major governmental funds and combined nonmajor governmental funds.

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

Government-Wide Financial Statements

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

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated basis and represent only governmental type activities.

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - *invested in capital assets, net of related debt; restricted net position; and unrestricted net position.*

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

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

indirect expenses among various functions and programs in accordance 2 CFR Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (aka the "Supercircular"). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

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

Fund Financial Statements

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

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

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition,

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

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

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

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

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund such as proceeds from a property tax assessment by St. Helena Parish, interest income earned on unassigned fund balances, and unrestricted donations from the general public. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are generally unrestricted, which means they may be used at the Council's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these *Act 735* funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In FY 2020, the Council received \$100,000

of PCOA grant money into its General Fund and management transferred \$71,681 to the Title III C-2 Fund to subsidize the cost of providing home-delivered meals and \$28,319 to the Title III B fund to subsidize the cost of providing supportive services.

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of operating community service centers where elderly people are receiving supportive social services and participating in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council maintained two senior centers (Dennis Mills and Turner Chapel) through February 2020. The Turner Chapel center was closed at the end of February due to mold, so as of June 30, 2020 the Council had only one functioning senior center. During the year, the Council received a primary *Senior Center* award of \$25,000 which was received into its General Fund and then transferred to the Title III C-1 Fund to subsidize the cost of providing congregate meals. In addition, two *Supplemental Senior Center* awards were made to the Council. One of the awards was for \$3,100 and the second award was for \$7,812.50. Both amounts were received into the General Fund and then transferred to the Title III C-1 Fund to help subsidize the cost of providing congregate meals.

Transportation Program Services - Nonelderly

The Council provides transportation services to the residents of St. Helena Parish who are not 60 years old for a fee. These program service fees and their related costs are accounted for within the *Nonelderly Transportation* program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the *Elderly Transportation* program of the Title III B Fund. This year the Council generated \$13,514 of fees from the *Nonelderly Transportation* program. About 15% of all trips this year involved people who were under 60 years old.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. To receive these funds, the Council would have to provide services which consist of hosting outreach, enrollment, and education events in accordance with the specifications, procedures, and requirements outlined in the MIPPA Grant Taxonomy. No MIPPA services were provided this year.

Utility Assistance

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

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund.

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

Major Special Revenue Funds:

Title III B Fund

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

- A grant from GOEA via CAAA for *Special Programs for the Aging _ Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$28,543).
- A grant from the Louisiana Department of Transportation and Development (DOTD) which is passed through the St. Helena Parish Police Jury (PJ) to the Council for rural transportation services. This grant is commonly referred to as *Section 5311* and reimburses the Council 50% of the cost of providing rural transportation services. The portion (\$100,818) of this grant that was used to pay for the rural transportation costs for elderly riders has been recorded as revenue in this fund. This year about 85% of the trips provided this year involved elderly people.

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

<u>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	249
Homemaker	180
Medic Alert Devices	53
Telephoning	4,990
Transportation for people age 60 or older	6,015

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide meals and nutrition education in a group setting to people age 60 or older at strategically located senior centers throughout St. Helena Parish. The centers were located at Dennis Mills and Turner Chapel. During the year, the Council reported to CAAA that it provided 6,685 meals and 53 units of nutrition education to eligible participants.

There were two main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* grant funds (\$9,680) received from GOEA via CAAA and restricted, voluntary contributions (\$5,136) from those persons who received meals.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year, the Council reported to CAAA that it provided 31,425 home-delivered meals and 29 units of nutrition education to eligible participants.

There were two main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services* grant funds (\$24,380) received from GOEA via CAAA and restricted, voluntary contributions from those persons who received home-delivered meals (\$2,045).

Nonmajor Special Revenue Funds:**Title III E Fund**

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 6 units of information and assistance to eligible participants. The main source of the revenue forming the basis for this fund is a grant (\$390) the Council received from GOEA via CAAA for the *Title III, Part E _ National Family Caregivers Support Program*.

d. Measurement Focus and Basis of Accounting

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

- **Government-wide Financial Statements – Accrual Basis**

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

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

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be *available* if they are collected within sixty days of the current fiscal year-end.

Expenditures are generally recorded under the modified accrual basis of

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

e. Interfund Activity

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

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

f. Cash

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

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line item *Cash* on the Statement of Net Position is comprised of restricted cash of \$7,183 and an unrestricted cash of \$47,418. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Receivables

This year management estimates that all receivables presented will be collected and has not provide an allowance for uncollectable amounts. However, if management becomes aware of information at a later date that would change its assessment about the collectability of any receivable, management would write-off the receivable as a bad debt at that time.

h. Investments

GASB Statement 31 requires the Council to report its investments at fair value in the

balance sheet, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council did not own any investments of this type at year-end.

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

i. Prepaid Expenses/Expenditures

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

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

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

j. Capital Assets

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

Government-Wide Financial Statements

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

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

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

Office equipment - other than computers	7 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

Fund Financial Statements

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided

the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

k. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the *government-wide* financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities in the government-wide statements. In the *fund* financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented anywhere else in these statements. The Council had no long-term liabilities at year-end.

l. Unpaid Compensated Absences

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

m. Advances from Funding Agencies

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

n. Deferred Revenue Other Than Property Taxes

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet of the fund financial statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the

liability for deferred revenue is removed from the Statement of Net Position and the fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenues at the end of this fiscal year.

o. Deferred Property Tax Revenue

Deferred property tax revenue represents taxes expected to be collected but not within 60 days after the end of the Council's fiscal year for which the taxes were levied. Deferred property tax revenues are reported on the Balance Sheet of the fund financial statements, but not on the Statement of Net Position, because the related revenues are recognized in the Statement of Activities using the full accrual basis of accounting. In subsequent periods when the deferred property tax revenues are collected, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized. The Council did not present any amounts this year as deferred property tax revenue because management believes little, if any, additional property tax revenue will be collected after August 31, 2020 for the 2019 property tax assessment.

p. Deferred Outflows and Inflows of Resources

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

q. Net Position in the Government-wide Financial Statements

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

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

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

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

r. Fund Equity – Fund Financial Statements

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

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

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

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

s. Management's Use of Estimates

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

t. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. The unsubsidized net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct cost of all programs. On occasion, there are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions, or the program activities are so small that allocating indirect costs is not practical.

u. Elimination and Reclassifications

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

v. Special Items

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

Note 2 - Revenue Recognition

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

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

Note 3 - Revenue Recognition - Property Tax

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

annual assessment.

The gross assessed value as of January 1, 2019, of the certified roll was \$65,766,030. After applying homestead exemptions and other reductions of \$18,183,777, the net assessed value upon which the Council's property tax was computed was \$47,582,253. The Council's management elected to have the Parish assess the maximum millage of 3.55 mills for tax year 2019. Accordingly, management initially accrued property tax revenue of \$168,917. Subsequently, \$4,141 of adjustments were made by the sheriff for supplements, reductions, and adjudicated/exempt taxes. Accordingly, the Council's gross property tax revenue was adjusted to \$164,957. In addition, the Council also collected \$274 of previously unpaid property taxes this year. As a result, the adjusted property tax revenue presented in this year's financial statements is \$165,231.

Property taxes are levied in November and are considered delinquent if not paid by December 31 (the lien date). Most of the property taxes are collected during the months of December, January, and February. The St. Helena Parish Sheriff acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the taxes due as possible. The tax sale date for St. Helena Parish for the 2019 tax assessment was September 16, 2020 and the tax liens were recorded on November 5, 2020.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. As the taxes are collected and remitted to the Council, they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also has a policy of accruing as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. In addition, the Council did not present any amounts this year as deferred property tax revenue because management estimates little, if any, property taxes will be collected after August 31, 2020 for the 2019 property tax assessment.

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

Property tax revenues of \$165,231 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$5,493

withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of pension plan contributions for the following governmental agencies:

Assessor's retirement fund	\$ 664
Clerks' of Court Retirement & Relief Fund	480
District Attorney's Retirement System	384
Municipal Employee's Retirement System	481
Parochial Employees' Retirement System	481
Registrar of Voters Employees' Retirement System	120
Sheriffs' Pension & Relief Fund	961
Teachers' Retirement System	1,922
Total	\$ 5,493

Instead, the \$5,493 has been presented as intergovernmental expenditures on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$165,231 were reduced by the \$5,493 of on-behalf payments to present a net amount of \$159,738 for general revenues. See Note 11 to these financial statements for more information.

Note 4 - Cash Management and Deposits

The Council maintains a consolidated operating bank account at First Guaranty Bank, which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

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

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

Exhibit F - Continued

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
First Guaranty Bank	\$ 54,401	\$ 54,401	None	Demand	Category 1
Petty Cash	200	200	None	N/A	None
Total Cash	<u>\$ 54,601</u>	<u>\$ 54,601</u>			
Unrestricted Purpose	\$ 47,418				
Restricted Purpose:					
Material Aid	4,643				
Utility Assistance	2,540				
Total Cash	<u>\$ 54,601</u>				

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

Note 5 - Government Grants and Contracts Receivable

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

At year end, the Council had \$38,506 of government grants and contracts receivable as follows:

- \$20,557 from the St. Helena Parish Police Jury relating to amounts reimbursable under the Section 5311 rural transportation grant (which originates with DOTD).
- \$17,949 from Capital Area Agency on Aging related to Title IIIB supportive services (\$6,014), Title III C-1 Congregate Meals (\$7,296), Title III C-2 Home Delivered Meals (\$4,249) and Title III E Family Caregiver Support (\$390).

Note 6 - Prepaid Expenditures and Expenses

At year-end, the council had no prepaid expenditures to report on the Fund Balance Sheet.

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

	Current Portion	Noncurrent Portion
Prepaid Insurance	\$ 4,508	\$ 0
Unamortized vehicle usage	2,696	3,406
Total prepaid expenses	<u>\$ 7,204</u>	<u>\$ 3,406</u>

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

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

Note 7 - Changes in Capital Assets and Accumulated Depreciation

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

Capital Assets Being Depreciated	Balance June 30, 2019	Additions	Decreases	Balance June 30, 2020
Vehicles	\$ 63,001	\$ 0	\$ 0	\$ 63,001
Office furniture and equipment	10,224	0	0	10,224
Total Capital Assets	73,225	0	0	73,225
Less Accumulated Depreciation:				
Vehicles	53,651	6,949	0	60,600
Office furniture and equipment	10,224	0	0	10,224
Total Accumulated Depreciation	63,875	6,949	0	70,824
Capital Assets Net of Depreciation	\$ 9,350	\$ (6,949)	\$ 0	\$ 2,401

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

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

Supportive Services:

Transportation of the elderly	\$ 5,907
Transportation of the nonelderly	1,042
Total depreciation expense for governmental activities	<u>\$ 6,949</u>

There is no depreciation associated with the administration function which relates to capital assets that essentially serve all functions. The depreciation amounts (\$6,949) are charged as direct expenses to their related functions on the Statement of Activities.

Note 8 - SBA Paycheck Protection Program (PPP) Loan

On April 21, 2020, the St. Helena Council on Aging received loan proceeds of \$47,750 under the Paycheck Protection Program (PPP) sponsored by the Small Business Administration (SBA). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, employee benefits, rent and utilities, and maintains its workforce levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first ten months. The Council intends to use the proceeds for purposes consistent with the PPP. While the Council currently believes that its use of the loan proceeds will meet the conditions for full forgiveness of the loan, the Council had not yet fulfilled the twenty-four-week period as of June 30, 2020. Accordingly, the application to apply for loan forgiveness will be submitted during the next fiscal year and the final determination of loan forgiveness will be made at that time.

Note 9 - Long-term Liabilities

The Council had no long-term liabilities at year-end.

Note 10 - Fund Balances - Fund Financial Statements

At year-end, none of the special revenue funds had any remaining fund balance. The fund

balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants.

The Council's General Fund had a fund balance at year-end of \$14,582. The composition of the fund balance is presented on the face of Exhibit C - Fund Balance Sheet.

Note 11- On-Behalf Payments for Fringe Benefits

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (Revised Statute 11:82) requires the Council to bear a pro-rata share of the pension expense relating to various statewide public retirement systems (see Note 3 for a detailed list). The Council's pro-rata share of the required contribution was \$5,493 that was withheld by the St. Helena Parish Sheriff from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation in December each year even though some of the property taxes assessments may be decreased later or never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

Note 12- In-Kind Contributions

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

The in-kind contributions that the Council received during the year consisted primarily of free rent and utilities relating to the use of the main administration office in Greensburg and senior centers at Turner Chapel and Dennis Mills. However, the Turner Chapel was closed at the end of February 2020. These contributions were not valued.

Starting March 1, 2020, the Council moved in to a new administrative building located at 53 South Main St. in Greensburg. The rent for this building is \$1,500 per month of which the Parish pays half (\$750) on behalf of the Council.

Note 13 - Board of Directors' Compensation

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

Note 14 - Income Tax Status

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

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

Note 15 - Lease and Rental Commitments

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

The minimum future lease payments under the lease as of June 30, 2020 for each year until the lease expires, and in the aggregate, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2021	\$ 3,000
2022	6,000
Total future minimum lease payments	<u>\$ 9,000</u>

Note 16 - Judgments, Claims, and Similar Contingencies

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

Note 17 -Contingencies - Grant Programs

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

Note 18 -Economic Dependency

The Council receives the majority of its revenue from other governments in the form of intergovernmental revenues. Intergovernmental type revenues are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive next year relating to its usual sources of intergovernmental revenues.

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

Note 19 -Risk Management

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

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

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

Note 20 -Interfund Receivables and Payables - Fund Financial Statements

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

	Receivable From	Payable To
General Fund:		
Major Funds:		
Title III B	\$ 23,380	\$ 0
Title III C-1	7,274	0
Nonmajor Funds in the aggregate	390	0
Totals for the General Fund	<u>\$ 31,044</u>	<u>\$ 0</u>
Special Revenue Funds:		
Major Funds:		
Title III B:		
General Fund	\$ 0	\$ 23,380
Title III C-1:		
General Fund	0	7,274
Nonmajor Funds in the aggregate:		
General Fund	0	390
Totals for All Funds	<u>\$ 31,044</u>	<u>\$ 31,044</u>

Note 21 -Interfund Transfers

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

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 157,373
Title III C-1 Fund	0	52,898
Title III C-2 Fund	0	71,681
Nonmajor Funds in the Aggregate	190	0
Total General Fund	190	281,952
Title III B - Fund:		
General Fund - local funds	\$ 129,054	\$ 0
General Fund - PCOA regular grant	28,319	0
Total Title III B Fund	157,373	0
Title III C-1 Fund:		
General Fund - Senior Center grant	\$ 25,000	\$ 0
General Fund - Sup. Senior Center grant 1	3,100	0
General Fund - Sup. Senior Center grant 2	7,812	0
General Fund - local funds	16,986	0
Total Title III C-1 Fund	52,898	0
Title III C-2 - Fund:		
General Fund - local funds	\$ 0	\$ 0
General Fund - PCOA regular grant	71,681	0
Total Title III C-2 Fund	71,681	0
Nonmajor Funds in the Aggregate:		
General Fund	\$ 0	\$ 190
Total for Nonmajor Funds	0	190
Grand Totals	\$ 282,142	\$ 282,142

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

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

Note 22 -Note Payable – Line of Credit

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

Balance at beginning of year	15,000
Current year borrowings	65,000
Current year repayments	<u>(70,000)</u>
Balance at year end	<u><u>10,000</u></u>

Note 23 -Related Party Transactions

There were no related party transactions during the fiscal year.

Note 24 -Subsequent Events

Management has evaluated subsequent events through January 7, 2021, which is the date the financial statements were available to be issued. There were no events that required disclosure.

Note 25 -COVID-19 Pandemic

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

Budgetary Comparison Schedule - General Fund
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020

	Budgeted Amounts	Actual Amounts	Variance with Final Budget
	Original (Unamended)	Modified Accrual Basis	Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs:			
PCOA	\$ 100,000	\$ 100,000	\$ 0
Senior Center	25,000	25,000	0
Supplemental Senior Center 1	3,100	3,100	0
Supplemental Senior Center 2	7,813	7,813	0
MIPPA	1,200	0	(1,200)
St. Helena Parish Police Jury - Section 5311 funds	8,000	17,791	9,791
St. Helena Parish School Board	3,133	0	(3,133)
Property Tax	169,001	165,231	(3,770)
Program Service Fees - transportation	10,500	13,514	3,014
Public Support	75	627	552
Interest Income	350	66	(284)
Miscellaneous	1,700	2,073	373
Total revenues	329,872	335,215	5,343
<u>EXPENDITURES</u>			
Current:			
Personnel	11,488	21,733	(10,245)
Fringe	946	2,069	(1,123)
Travel	60	132	(72)
Operating Services	5,791	12,093	(6,302)
Operating Supplies	2,791	5,255	(2,464)
Other Costs	531	992	(461)
Meals - guest	0	292	(292)
Capital Outlay	0	0	0
Intergovernmental	5,500	10,359	(4,859)
Debt Service - interest	0	2,534	(2,534)
Total expenditures	27,107	55,459	(28,352)
Excess of revenues over expenditures	302,765	279,756	(23,009)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	1,300	190	(1,110)
Transfers out	(239,317)	(281,952)	(42,635)
Proceeds from insurance	0	3,567	3,567
Total other financing sources (uses)	(238,017)	(278,195)	(40,178)
Net increase (decrease) in fund balance	\$ 64,748	1,561	\$ (63,187)
<u>FUND BALANCE</u>			
Beginning of year		13,021	
End of year		\$ 14,582	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
Capital Area Agency on Aging	\$ 30,583	\$ 28,543	\$ (2,040)
St. Helena Parish Police Jury - (Section 5311)	72,000	100,818	28,818
Total revenues	102,583	129,361	26,778
<u>EXPENDITURES</u>			
Current:			
Personnel	131,604	153,075	(21,471)
Fringe	10,835	14,437	(3,602)
Travel	640	1,273	(633)
Operating Services	54,400	75,724	(21,324)
Operating Supplies	26,279	31,699	(5,420)
Other Costs	5,566	6,237	(671)
Full Service	5,800	4,289	1,511
Capital Outlay	0	0	0
Total expenditures	235,124	286,734	(51,610)
Excess of expenditures over revenues	(132,541)	(157,373)	(24,832)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	132,541	157,373	24,832
Transfers out	0	0	0
Total other financing sources (uses)	132,541	157,373	24,832
Net increase (decrease) in fund balance	\$ 0	0	\$ 0
<u>FUND BALANCE</u>			
Beginning of year		0	
End of year		\$ 0	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-1 Fund

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
Capital Area Agency on Aging	\$ 9,680	\$ 9,680	\$ 0
Restricted Public Support - client contributions	9,000	5,136	(3,864)
Restricted Public Support - other	0	833	833
Total revenues	<u>18,680</u>	<u>15,649</u>	<u>(3,031)</u>
<u>EXPENDITURES</u>			
Current:			
Personnel	41,271	35,023	6,248
Fringe	3,398	3,328	70
Travel	179	168	11
Operating Services	10,117	11,175	(1,058)
Operating Supplies	2,238	4,061	(1,823)
Other Costs	7,126	5,484	1,642
Meals	10,350	9,308	1,042
Capital Outlay	0	0	0
Total expenditures	<u>74,679</u>	<u>68,547</u>	<u>6,132</u>
Excess of expenditures over revenues	<u>(55,999)</u>	<u>(52,898)</u>	<u>3,101</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	55,999	52,898	(3,101)
Transfers out	0	0	0
Total other financing sources (uses)	<u>55,999</u>	<u>52,898</u>	<u>(3,101)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>			
Beginning of year		<u>0</u>	
End of year		<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original (Unamended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental:			
Capital Area Agency on Aging	\$ 24,380	\$ 24,380	\$ 0
Restricted Public Support - client contributions	2,800	2,045	(755)
Total revenues	27,180	26,425	(755)
<u>EXPENDITURES</u>			
Current:			
Personnel	30,083	29,751	332
Fringe	2,477	2,770	(293)
Travel	121	92	29
Operating Services	7,142	15,525	(8,383)
Operating Supplies	2,392	3,157	(765)
Other Costs	1,092	842	250
Meals	34,650	45,969	(11,319)
Capital Outlay	0	0	0
Total expenditures	77,957	98,106	(20,149)
Excess of expenditures over revenues	(50,777)	(71,681)	(20,904)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers in	50,777	71,681	20,904
Transfers out	0	0	0
Total other financing sources (uses)	50,777	71,681	20,904
Net increase (decrease) in fund balance	\$ 0	0	\$ 0
<u>FUND BALANCE</u>			
Beginning of year		0	
End of year		\$ 0	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**St. Helena Council of Aging, Inc.
Greensburg, Louisiana
For the Year Ended June 30, 2020**

Note 1 - Budgetary Reporting

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

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

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

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

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

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

Management budgeted an operating surplus in the Council's General Fund this year of \$64,748.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

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

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020**

	Title III E Fund	Totals
<u>REVENUES</u>		
Intergovernmental:		
Capital Area Agency on Aging (CAAA)	\$ 390	\$ 390
Total revenues	390	390
<u>EXPENDITURES</u>		
Current:		
Personnel	185	185
Fringe	15	15
Travel	0	0
Operating Services	0	0
Operating Supplies	0	0
Other Costs	0	0
Total expenditures	200	200
Excess of revenues over (under) expenditures	190	190
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating transfers in	0	0
Operating transfers out	(190)	(190)
Total other financing sources (uses)	(190)	(190)
Net increase (decrease) in fund balances	0	0
<u>FUND BALANCE (DEFICIT)</u>		
Beginning of year	0	0
End of year	\$ 0	\$ 0

See Independent Auditor's Report.

**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS**

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
<u>Capital Assets</u>				
Land	\$ 0	\$ 0	\$ 0	\$ 0
Vehicles	63,001	0	0	63,001
Office furniture and equipment	10,224	0	0	10,224
Total capital assets	<u>\$ 73,225</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,225</u>
<u>Investment in Capital Assets</u>				
Property acquired with funds from -				
PCOA	\$ 59,482	\$ 0	\$ 0	\$ 59,482
Donated by St. Tammany COA	3,595	0	0	3,595
Local	10,148	0	0	10,148
Total investment in capital assets	<u>\$ 73,225</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 73,225</u>

See Independent Auditor's Report.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

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

**St.Helena Council on Aging, Inc.
Greensburg, Louisiana
For the year ended June 30, 2020**

Executive Director's Name: James Robb

Purpose	Amount
Salary	\$ 36,662.85
Benefits-insurance (health and life)	-
Benefits-retirement	-
Benefits-other (FICA & LUTA)	2,845.50
Reimbursements - various office supplies and services	1,782.58
Travel - mileage reimbursements for using personal car on Council business	654.00
Registration fees	-
Conference travel	209.16
Unvouchered expenses (example: travel advances, etc.)	-
Meals during training	100.69
Total	42,254.78

See Independent Auditor's Report.

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

ADAM C. HEBERT, CPA

MEMBER

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



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

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

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

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

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Council on the Aging, Inc., Greensburg, Louisiana, (the Council) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements and have issued our report thereon dated January 7, 2021.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a

material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the Schedule of Current Year Audit Findings, Recommendations and Responses as items 2020-1 and 2020-2 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2020-3 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses as item 2020-4.

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

St. Helena Council on the Aging, Inc.'s response to the findings identified in our audit is described in the accompanying Schedule of Current Year Audit Findings, Recommendations and Responses. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Chris Johnson

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

January 7, 2021

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*:

Internal control over financial reporting:

- Material weaknesses identified? Yes
- Significant deficiencies identified? Yes

Noncompliance material to the financial statements identified? Yes

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

SECTION II - FINANCIAL STATEMENT FINDINGS

INTERNAL CONTROL

2020-01 Segregation of Duties

Criteria:

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

Condition:

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

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2020

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

Cause:

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

Effect:

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

Recommendation:

We recommend management perform the following:

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

Management's Response:

Management agrees with the finding and will implement the recommendations. Responsible party is Jim Robb, Executive Director, 225-222-6070.

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2020

2020-02 Approval of Payroll

Criteria:

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

Condition:

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

Cause:

This appears to be an oversight by management.

Effect:

We were not able to determine if the employees in our sample were paid the correct rate of pay.

Recommendation:

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

Management's Response:

Management will begin including all information recommended in each employee's personnel file. Responsible party is Jim Robb, Executive Director, 225-222-6070.

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2020

2020-03 Coding of Payroll Transactions

Criteria:

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

Condition:

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

Cause:

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

Effect:

Salaries may be overstated or understated in each fund.

Recommendation:

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

Management's Response:

Management agrees with the finding and will implement the recommendations. Responsible party is Jim Robb, Executive Director, 225-222-6070.

COMPLIANCE

2020-04 Incorrect Calculation of Overtime Rate

Criteria:

According to the Fair Labor Standards Act, an employer must generally provide one and a half times a non-exempt employee's regular hourly rate for each hour or part of an hour that the employee actually works in excess of 40 hours.

Condition:

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

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Audit Findings, Recommendations and Responses
For the Year Ended June 30, 2020

Cause:

The Council's pay period is on a bi-weekly basis. Overtime is being calculated on the employee's hours worked over 80 hours instead of a weekly basis of 40 hours.

Effect:

Employees are being paid an incorrect amount. Out of the employees tested, the incorrect calculation resulted in an underpayment of \$257.36.

Recommendation:

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

Management's Response:

Management has corrected this finding and overtime is currently being paid correctly. Responsible party is Jim Robb, Executive Director, 225-222-6070.

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Prior Year Findings
For the year ended June 30, 2020

Financial Statement Findings

The auditors did not report any financial statement findings in their review of the Council's FY 2019 financial statements last year. Therefore, management has nothing to report in this section.

Major Federal Award Program Findings and Questioned Costs

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

Management Letter

None was issued last year.