

R E P O R T

ST. BERNARD COUNCIL ON AGING, INC.

JUNE 30, 2022

ST. BERNARD COUNCIL ON AGING, INC.

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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

December 20, 2022

To the Board of Directors
St. Bernard Council on Aging, Inc.
Chalmette, Louisiana

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Bernard Council On Aging, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the St. Bernard Council On Aging's basic financial statements as listed in the index to report.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Bernard Council On Aging, as of June 30, 2022, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the St. Bernard Council On Aging, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Bernard Council On Aging's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Bernard Council On Aging's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the St. Bernard Council On Aging's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Bernard Council On Aging's basic financial statements. The other supplementary information as listed in the index to the report is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 other supplementary information as listed in the index is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2022, on our consideration of the St. Bernard Council On Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 St. Bernard Council On Aging's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Council On Aging's internal control over financial reporting and compliance.

Duplantier, Sharpness, Hogan and Skater, LLP
New Orleans, Louisiana

ST. BERNARD COUNCIL ON AGING, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

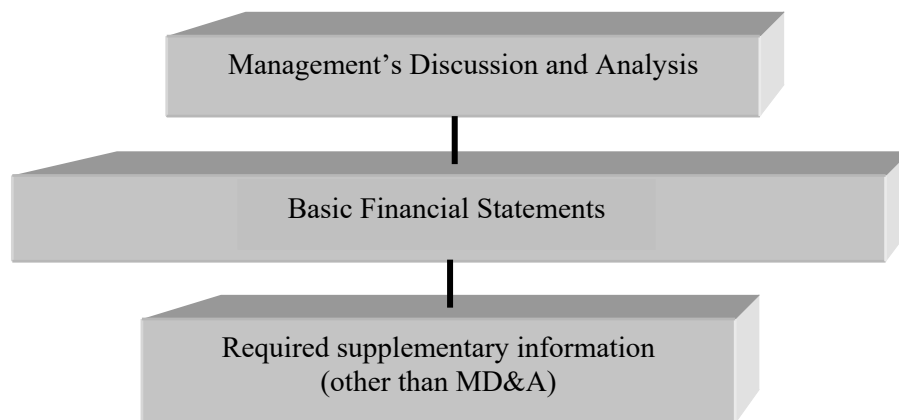
The Management’s Discussion and Analysis of the St. Bernard Council on Aging, Inc.’s financial performance presents a narrative overview and analysis of the St. Bernard Council on Aging, Inc.’s financial activities for the year ended June 30, 2022. This document focuses on the current year’s activities, resulting changes, and currently known facts in comparison with the prior year’s information. Please read this document in conjunction with the additional information contained in the St. Bernard Council on Aging, Inc.’s financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- * As reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, the St. Bernard Council on Aging, Inc. reported as contract revenue \$364,806 and \$381,993 of ad valorem taxes from the St. Bernard Parish Government during the fiscal year ended June 30, 2022 and 2021, respectively.
- * As reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, during the fiscal year ended June 30, 2022, the St. Bernard Council on Aging, Inc. received \$506,975 for funding from the Governor’s Office of Elderly Affairs of which \$59,984 was from the American Recovery Program. Total amount received during the year ended June 30, 2021 was \$493,112.
- * Total expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance increased by \$111,873 or 14.02%. Total expenditures for the years ended June 30, 2022 and 2021 were \$910,058 and \$798,185, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments.



These financial statements consist of three sections - Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to financial statements), and required supplementary information.

ST. BERNARD COUNCIL ON AGING, INC.
MANAGEMENT’S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Basic Financial Statements

The basic financial statements present information for the St. Bernard Council on Aging, Inc. as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements: The government-wide financial statements are designed to provide readers with a broad overview of the St. Bernard Council on Aging, Inc.’s finances, in a manner similar to private-sector business. The government-wide financial statements include:

Statement of Net Position – this statement presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the St. Bernard Council on Aging, Inc. is improving or deteriorating.

Statement of Activities – this statement presents information showing how the St. Bernard Council on Aging, Inc.’s assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

FINANCIAL ANALYSIS OF THE ENTITY

Statements of Net Position
June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|----------------------------------|--------------|-------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 200,795 | \$ 137,948 |
| Investments | 763,113 | 780,470 |
| Receivables | 6,848 | 696 |
| Capital assets | 99,052 | 56,238 |
| Total assets | \$ 1,069,808 | \$ 975,352 |
| Liabilities | \$ 13,761 | \$ 10,429 |
| Net position: | | |
| Net investment in capital assets | \$ 99,052 | \$ 56,238 |
| Unrestricted | 956,995 | 908,685 |
| Total net position | \$ 1,056,047 | \$ 964,923 |

ST. BERNARD COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS OF THE ENTITY (Continued)

Condensed Statements of Activities
For the Years Ended June 30, 2022 and 2021

| | <u>2022</u> | <u>2021</u> |
|---|--------------|-------------|
| Revenues: | | |
| Program Revenues | \$ 522,161 | \$ 494,368 |
| General Revenues: | | |
| Contract income | 364,806 | 381,993 |
| Miscellaneous donations | 68,999 | 51,942 |
| Unrestricted investment income | 2,402 | 16,605 |
| Total Revenues | \$ 958,368 | \$ 944,908 |
| Direct Program Expenses of the Health, Welfare and Social Services Function: | | |
| Supportive Services | \$ 161,860 | \$ 146,145 |
| Nutrition Services | 376,727 | 353,659 |
| Disease Prevention and Health Promotion | 984 | 150 |
| National Family Caregiver Support | 24,139 | 19,355 |
| Direct Administration Expenses | 303,534 | 249,862 |
| Total Expenses | 867,244 | 769,171 |
| Change in Net Position | 91,124 | 175,737 |
| Net Position, beginning of year | 964,923 | 789,186 |
| Net Position, end of year | \$ 1,056,047 | \$ 964,923 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The St. Bernard Council on Aging's board and administration considered the following factors when setting next year's budget:

- * Short-term and long-term tasks required to fulfill duties and obligations set forth with guidelines established by local board members, administration, and Governor's Office of Elderly Affairs.
- * Considered accumulated fund surpluses from prior years and anticipated new revenues expected from long-established sources.
- * Meal donations, both congregate and home delivery, are requested from the clients.

ST. BERNARD COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (Continued)

St. Bernard Council on Aging, Inc. expects results to change for subsequent years based on the following:

- * Management plans to continue programs within the guideline established by local board and administration and Governor's Office of Elderly Affairs. The home delivered meals program has grown and the Council on Aging will continue its partnership with the local sheriff's department to provide a daily, hot, nutritious meal to all those who qualify.
- * The number of seniors using our services has been consistent. We strive to offer the seniors of St. Bernard programs and services to meet the needs of our elderly population.
- * If necessary, the St. Bernard Council on Aging, Inc. plans to use some of its accumulated savings from prior periods.

CONTACTING ST. BERNARD COUNCIL ON AGING, INC.'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the St. Bernard Council on Aging, Inc.'s finances and to show the St. Bernard Council on Aging, Inc.'s accountability for the money it receives. If you have questions about this report, or need additional financial information, contact Susan McNeil, Director at (504) 278-7335.

ST. BERNARD COUNCIL ON AGING, INC.
STATEMENT OF NET POSITION
JUNE 30, 2022

| | Governmental Activities |
|---|----------------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 200,795 |
| Investments at fair value | 763,113 |
| Receivable - GOEA | 6,570 |
| Interest receivable | 278 |
| Capital assets, net of accumulated depreciation | 99,052 |
| TOTAL ASSETS | 1,069,808 |
| LIABILITIES: | |
| Payable to GOEA | 2,946 |
| Accrued expenses | 10,815 |
| TOTAL LIABILITIES | 13,761 |
| NET POSITION: | |
| Net investment in capital assets | 99,052 |
| Unrestricted | 956,995 |
| TOTAL NET POSITION | \$ 1,056,047 |

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | | | Program Revenues | | | Net (Expenses) |
|--|-------------------|-----------------|------------------|----------------------|----------------------|---------------------|
| | Direct | Indirect | Charges | Operating | Capital | Revenue and |
| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Expenses</u> | <u>for</u> | <u>Grants and</u> | <u>Grants and</u> | Changes |
| | | | <u>Services</u> | <u>Contributions</u> | <u>Contributions</u> | in Net Position |
| | | | | | | Governmental |
| | | | | | | <u>Activities</u> |
| Governmental Activities | | | | | | |
| Health, Welfare & Social Services: | | | | | | |
| Supportive Services: | | | | | | |
| Homemaker | \$ 9,446 | \$ - | \$ - | \$ 9,446 | \$ - | \$ - |
| Information and assistance | 39,277 | 16,935 | - | 56,212 | - | - |
| Legal assistance | 2,888 | - | - | 2,888 | - | - |
| Outreach | 780 | 546 | - | 1,326 | - | - |
| Transportation | 58,520 | 18,574 | - | 77,094 | - | - |
| Recreation | 46,321 | 16,936 | - | 63,257 | - | - |
| Other services | 4,628 | 1,638 | - | 6,266 | - | - |
| Disease Prevention and | | | | | | |
| Health Promotion: | | | | | | |
| Other services | 984 | - | - | 3,330 | - | 2,346 |
| National Family | | | | | | |
| Caregiver Support: | | | | | | |
| Information and assistance | 7,254 | 1,542 | - | 8,640 | - | (156) |
| Respite | 13,569 | - | - | 13,096 | - | (473) |
| Other services | 3,316 | 461 | - | 3,645 | - | (132) |
| Nutrition Services: | | | | | | |
| Congregate Meals | 184,653 | 67,014 | 11,792 | 143,320 | - | (96,555) |
| Home Delivered Meals | 192,074 | 54,049 | 3,394 | 85,979 | - | (156,750) |
| Administration | 303,534 | (177,695) | - | 32,476 | - | (93,363) |
| Total governmental activities | <u>\$ 867,244</u> | <u>\$ -</u> | <u>\$ 15,186</u> | <u>\$ 506,975</u> | <u>\$ -</u> | <u>(345,083)</u> |
| General Revenues: | | | | | | |
| Grants and contributions not restricted to specific programs | | | | | | 433,805 |
| Net appreciation on fair value of investments | | | | | | 111 |
| Gain on sale of assets | | | | | | 375 |
| Unrestricted investment income | | | | | | 1,916 |
| Total general revenues | | | | | | <u>436,207</u> |
| Increase in net position | | | | | | 91,124 |
| Net position - beginning of the year | | | | | | 964,923 |
| Net position - end of the year | | | | | | <u>\$ 1,056,047</u> |

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

| | General Fund | Title IIIB Supportiv e Services | Title IIIC- 1 Congregate Meals | Title IIIC- 2 Home Delivered Meals | Non-Major Funds | Total |
|---|-------------------|---------------------------------------|---|---|--------------------|-------------------|
| ASSETS: | | | | | | |
| Cash and cash equivalents | \$ 190,331 | \$ - | \$ - | \$ - | \$ 10,464 | \$ 200,795 |
| Investments at fair value | 763,113 | - | - | - | - | 763,113 |
| Interest receivable | 278 | - | - | - | - | 278 |
| Due from other funds | 6,570 | - | - | - | - | 6,570 |
| Receivable - GOEA | - | 6,242 | - | - | 328 | 6,570 |
| TOTAL ASSETS | <u>\$ 960,292</u> | <u>\$ 6,242</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,792</u> | <u>\$ 977,326</u> |
| LIABILITIES: | | | | | | |
| Payable to GOEA | \$ - | \$ - | \$ - | \$ - | \$ 2,946 | \$ 2,946 |
| Due to other funds | - | 6,242 | - | - | 328 | 6,570 |
| Accrued expenses | 10,815 | - | - | - | - | 10,815 |
| TOTAL LIABILITIES | <u>10,815</u> | <u>6,242</u> | <u>-</u> | <u>-</u> | <u>3,274</u> | <u>20,331</u> |
| FUND BALANCE: | | | | | | |
| Unassigned | 949,477 | - | - | - | 7,518 | 956,995 |
| TOTAL FUND BALANCE | <u>949,477</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,518</u> | <u>956,995</u> |
| TOTAL LIABILITIES AND AND FUND BALANCE | <u>\$ 960,292</u> | <u>\$ 6,242</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,792</u> | |

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

Capital assets used in governmental
activities are not financial resources and
therefore are not reported in the funds 99,052

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,056,047

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2022

| | General | Title IIIB Supportive Services | Title IIIC-1 Congregate Meals | Title IIIC-2 Home Delivered Meals | Non-Major Funds | Total |
|--|-------------------|--------------------------------------|-------------------------------------|--|--------------------|-------------------|
| REVENUES: | | | | | | |
| Intergovernmental: | | | | | | |
| Governor's Office of Elderly Affairs | \$ 150,383 | \$ 88,509 | \$ 143,320 | \$ 69,178 | \$ 55,585 | \$ 506,975 |
| Contract revenue | 364,806 | - | - | - | - | 364,806 |
| Public support: | | | | | | |
| Client contributions | - | - | 11,792 | 3,394 | - | 15,186 |
| Miscellaneous | 21,934 | - | - | - | - | 21,934 |
| Interest income | 1,916 | - | - | - | - | 1,916 |
| In-kind contributions | 47,065 | - | - | - | - | 47,065 |
| Total revenues | <u>586,104</u> | <u>88,509</u> | <u>155,112</u> | <u>72,572</u> | <u>55,585</u> | <u>957,882</u> |
| EXPENDITURES: | | | | | | |
| Personnel | - | 115,260 | 118,935 | 69,258 | 18,356 | 321,809 |
| Fringe | - | 25,674 | 26,329 | 9,159 | 4,201 | 65,363 |
| Travel | - | 399 | 319 | 80 | - | 798 |
| Meals | 3,679 | - | 78,330 | 115,305 | - | 197,314 |
| Capital outlay | 56,321 | - | - | - | - | 56,321 |
| Contracted services | 12,101 | - | - | - | 13,570 | 25,671 |
| Operating services | 5,610 | 54,843 | 19,673 | 36,135 | 7,788 | 124,049 |
| Operating supplies | - | 19,476 | 7,058 | 15,319 | 4,913 | 46,766 |
| Miscellaneous | 22,173 | 838 | 1,023 | 868 | - | 24,902 |
| In-kind expenses | 47,065 | - | - | - | - | 47,065 |
| Total expenditures | <u>146,949</u> | <u>216,490</u> | <u>251,667</u> | <u>246,124</u> | <u>48,828</u> | <u>910,058</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | <u>439,155</u> | <u>(127,981)</u> | <u>(96,555)</u> | <u>(173,552)</u> | <u>6,757</u> | <u>47,824</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Net appreciation on fair value of investments | 111 | - | - | - | - | 111 |
| Proceeds on sale of assets | 375 | - | - | - | - | 375 |
| Operating transfers in | - | 127,981 | 96,555 | 173,552 | 761 | 398,849 |
| Operating transfers out | (398,849) | - | - | - | - | (398,849) |
| Total other financing sources (uses) | <u>(398,363)</u> | <u>127,981</u> | <u>96,555</u> | <u>173,552</u> | <u>761</u> | <u>486</u> |
| Net increase in fund balance | 40,792 | - | - | - | 7,518 | 48,310 |
| Fund balance at beginning of year | 908,685 | - | - | - | - | 908,685 |
| FUND BALANCE AT END OF YEAR | <u>\$ 949,477</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,518</u> | <u>\$ 956,995</u> |

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| | |
|--|-----------|
| NET INCREASE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | \$ 48,310 |
|--|-----------|

Governmental funds report capital outlays as expenditures.

However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period

| |
|---------------|
| <u>42,814</u> |
|---------------|

| | |
|--|------------------|
| INCREASE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>\$ 91,124</u> |
|--|------------------|

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NATURE OF ORGANIZATION

The St. Bernard Council on Aging, Inc. (the Council) was authorized by State of Louisiana Act 456 of 1964. Their charter was issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Council is a nonprofit organization that must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council receives revenues from other federal and state agencies which may impose certain restrictions upon how the Council can use the money that they have provided. The Council also receives funds from a contract with the St. Bernard Parish Government. The Council may be dissolved by the state with their net assets transferred to another governmental or nonprofit organization. For financial statement reporting purposes, the Council is considered a government organization.

The primary function of the St. Bernard Council on Aging, Inc. is to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals and nutritional education, information and referral services, legal assistance, operating senior centers, outreach, utility assistance, in-home respite, employment services, medication management, wellness and unmet needs. Board members are elected from the general membership of the Council and receive no compensation for their services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity:

The St. Bernard Council On Aging, Inc. is not a component unit of another primary government nor does it have any component units that are related to it based on the criteria set forth in GASB Statement 39, *Determining Whether Certain Organizations Are Component Units*. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 39, the term *fiscally independent* means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, the Governor's Office of Elderly Affairs establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by the Governor's Office of Elderly Affairs. However, this approval process is part of the Governor's Office of Elderly Affairs' general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 39.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity: (Continued)

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for state and local governmental units as prescribed by the GASB. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governmental Units*, the industry audit guide issued by the American Institute of Certified Public Accountants; *Subsection VI - Annual Financial Reporting*, accounting manual for Governor's Office of Elderly Affairs contractors; and the *Louisiana Governmental Audit Guide*.

Basis of Presentation:

The accompanying basic financial statements of the St. Bernard Council On Aging, Inc. have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the Council are discussed below. In addition, these financial statements are prepared using GASB Statement Number 34, *Basic Financial Statement - Management's Discussion and Analysis - for State and Local Governments and Related Standards*. This standard provided significant changes in terminology, recognition of contributions in the Statement of Revenues, Expenses, and Changes in Net Assets, inclusion of a management discussion and analysis as supplementary information and other changes.

Government-wide and Fund Financial Statements:

In accordance with Statement No. 34 of the Governmental Accounting Standards Board (GASB), *Basic Financial Statements – Management's Discussion and Analysis - for State and Local Governments* are the Management's Discussion and Analysis (MD&A), government-wide financial statements which include the Statement of Net Position and the Statement of Activities, and fund financial statements which include the Balance Sheet, Reconciliation of the Balance Sheet to the Statement of Net Position, Statement of Revenues, Expenditures, and Change in Fund Balance, and Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the administration function. GOEA provides funds to partially subsidize the Council's administration function. The unsubsidized net cost of the administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

The Statement of Net Position and the Statement of Activities include governmental type activities of the Council. These government-wide statements for the governmental activities begin with the governmental funds financial statements balances and adjust them to incorporate the Council's capital assets. These adjustments are detailed in the financial statements in the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities. For the most part, the effect of interfund activity has been removed from the government-wide statements. The Statement of Activities presents financial information in a manner that shows the income and expenses generated by each individual governmental function or activity.

Fund financial statements record revenues 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 are usually 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. The fund financial statements include the following types of funds.

General Fund:

The general operating fund of the Council accounts for all financial resources, except those required to be accounted for in the special revenue funds.

Special Revenue Funds:

The special revenue funds account for and report the proceeds of specific revenue sources (other than major capital projects) that are restricted or committed to expenditures for specific purposes, other than capital projects or debt service.

Fund financial statements report major individual governmental funds in a separate column.

The Council on Aging reports the following major governmental funds:

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

General Fund:

The General Fund is the Council's primary operating fund. The funds are received from local sources, such as the Parish government.

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

The Parish Fund is the Council on Aging's primary operating fund. The funds are received from local sources, such as the parish government. The Parish Fund is reported in the General Fund.

The PCOA Program is a general operating program of the Council and accounts for funds received from the State of Louisiana. The funds are appropriated to the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the parish council. The Council may use these "Act 735" funds at its discretion. The PCOA Program is reported in the General Fund.

The Senior Center accounts for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs for distribution to the parish councils on aging. This program provides community service centers at which older persons receive supportive services and participate in activities that foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Senior Center is reported in the General Fund.

The Supplemental Senior Center accounts for funds that are received from the state for discretionary purposes. The funds are used throughout each program. The Supplemental Senior Center is reported in the General Fund.

The Audit Fund accounts for funds that are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs for distribution to the parish councils on aging. These funds are used to obtain independent audits of annual financial statements. The Audit Fund is reported in the General Fund.

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services – Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

Special Revenue Funds: (Continued)

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 Governmental Funds:

Title IIIB Supportive Services Fund:

The Title IIIB Supportive Services Fund accounts for the administration of the Special Programs for the Aging. Title IIIB funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs. This program provides for access services, in-home services, community services, transportation, and legal assistance for the elderly.

Title IIIC-1 Congregate Meals Fund:

The Title IIIC-1 Congregate Meals Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at a meal site located in St. Bernard Parish. There are three main sources of revenues that form the basis of this fund: a grant from GOEA for special programs for the aging, Nutrition Services Incentive Program (NSIP) funds provided by GOEA to supplement the congregate meals program, and voluntary contributions from those people who received congregate meals.

Title IIIC-2 Home Delivered Meals:

The Title IIIC-2 Home Delivered Meals Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. There are two main sources of revenues that form the basis of this fund: a grant from GOEA for special programs for the aging and voluntary contributions from persons receiving home-delivered meals service.

Nonmajor Governmental Funds:

Title IIIC-1 Area Agency Administration Fund:

The Title IIIC-1 Area Agency Administration Fund accounts for the administration of the Special Programs for the Aging. Title IIIC funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs and are allocated to fund administrative costs associated with the Title III and Senior Center programs.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation: (Continued)

Special Revenue Funds: (Continued)

Nonmajor Governmental Funds: (Continued)

Title IIID Preventive Health:

The Title IIID Preventive Health Fund accounts for the administration of the Special Programs for the Aging. Title IIID funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs. This program provides for disease prevention and health promotion activities for the elderly.

Title IIIE Caregiver Fund:

The Title IIIE Caregiver Fund accounts for the administration of the Special Programs for the Aging. Title IIIE funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs. This program provides for multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Budgetary Practices:

The proposed budget for the year ending June 30, 2022, was submitted to and approved by the board of directors. The budget, which included proposed expenditures and the means of financing them for all the special revenue funds, except for the General Fund, was also submitted to the Louisiana Governor's Office of Elderly Affairs. The General Fund is not required to submit a budget because funding is received in the form of individual donations or parish funds. Consequently, the amount of funding is uncertain from year to year.

Unobligated grant funds at year-end that were received through the Louisiana Governor's Office of Elderly Affairs must be returned to the office. Revenues earned or donated to the Council may be carried into the ensuing year. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparing budgeted and actual revenues and expenditures. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device. The Council does not recognize or record encumbrances in its budget practices. All budgetary appropriations lapse at the end of each fiscal year (June 30).

Generally, the Council may transfer funds between line items as often as required without prior approval from the Governor's Office of Elderly Affairs. However, the Council must obtain prior approval to increase capital outlay. The Council is allowed only a one-time transfer of amounts from one program to another and is never permitted to transfer amounts from services to administration.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Budgetary Practices: (Continued)

Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments for all programs that require budgeting.

Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired that have an estimated useful life of greater than one year. These assets are recorded as capital assets in the government-wide Statement of Net Position. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, it is recorded at its estimated fair market value at the date of donation.

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.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

Fund Balance:

The Council has adopted the provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This statement also provides a definition of what constitutes a special revenue fund and as such this reduced the number of funds classified as special revenue funds. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

Nonspendable:

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted:

This classification includes amounts for which constraints have been placed on the use of resources are either:

Eternally 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.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance: (Continued)

Unassigned:

This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the General Fund.

Advance To/From Other Funds:

Non-current portions of long-term interfund loans on receivables are reported as advances.

Short-Term Interfund Receivables/Payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables or due to other funds.

Interfund Activity:

Interfund activity is reported as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net assets in the government-wide financial statements.

Cash, Cash Equivalents, and Investments:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits with original maturities of 90 days or less and money market mutual funds. Investments include certificates of deposits with maturities in excess of 90 days and securities with a maturity greater than 90 days. Cash and cash equivalents are reported at their carrying amounts which approximate their fair values. Investments are reported at fair value.

Method Used to Value Investments:

The Council adopted GASB Statement No. 72, *Fair Value Measurement and Application*. As required by GASB Statement No. 72, investments are reported at fair value. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value based

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Method Used to Value Investments: (Continued)

on three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Lastly, Level 3 inputs are unobservable inputs, such as management's assumptions or investment manager assumptions that are unobservable. This statement also requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques used; organized by type of asset or liability.

Allocation of Indirect Expenses:

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the administration function. GOEA provides funds to partially subsidize the Council's administration function. The unsubsidized net cost of the administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

Compensated Absences:

Employees of the Council earn from 15 to 25 days of personal time off each year, depending on their length of service and employee status (regular full-time). At June 30, 2022, the Council has no accumulated benefits relating to leave privileges that require disclosure to conform with accounting principles generally accepted in the United States of America.

Funding Policies and Sources of Funds:

The Council receives its monies through various methods of funding. Most of the funds are received on a grant basis. Under this method, funds are received on a monthly allocation of the total budget (grant). Any funds not used by year-end are due back to the granting agency. The following programs are handled in this manner: Title IIIB Supportive Services, Title IIIC-1 Area Agency Administration, Title IIIC-1 Congregate Meals, Title IIIC-2 Home Delivered Meals, Title IIID Preventive Health, Title IIIE Caregiver, Senior Center, Supplemental Senior Center, Audit and the PCOA Program (Act 735).

The Council receives funds under the Nutritional Services Incentive Program (NSIP) and also receives funds through a contract with the St. Bernard Parish Government.

The Council encourages and receives contributions from clients and private entities to help offset the costs of programs. In addition, various fundraisers were held during the year.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Cash and Cash Equivalents:

At June 30, 2022, the Council had cash and cash equivalents (book balances) totaling \$200,795. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2022, the Council had \$230,560 in deposits, (bank balances) which were insured through federal deposit insurance.

Investments:

At June 30, 2022, the Council had the following investments and maturities:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities (in years)</u> | |
|--------------------------|-------------------|---|------------------------------|
| | | <u>1 to 5</u> | <u>Greater than 10 years</u> |
| U.S. Government Agencies | \$ 363,113 | \$ 339,968 | \$ 23,145 |
| Certificates of Deposits | <u>400,000</u> | <u>400,000</u> | <u>-</u> |
| | <u>\$ 763,113</u> | <u>\$ 739,968</u> | <u>\$ 23,145</u> |

Interest Rate Risk. Interest rate risk is defined as the risk that changes in interest rates in the general market will adversely affect the fair value of an investment. The Council has no formal policy regarding interest rate risk.

Credit Risk. Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2022, the Council's certificates of deposit were unrated. U.S. government agencies in the amount of \$363,113 were unrated by Standard and Poor's. The Council has no formal policy regarding credit risk.

Custodial Credit Risk. For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Council will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Council's certificates of deposit, money market funds and investments are held by a brokerage firm and are secured through federal deposit insurance and securities investor protection corporation at June 30, 2022. The Council has no formal policy regarding custodial credit risk.

Concentration of Credit Risk. Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the Council's investment in a single issuer. At June 30, 2022, the Council's investments were either held with U.S. Government Agencies or in certificates of deposit fully insured by federal deposit insurance and securities investor protection corporation. The Council has no formal policy regarding concentration of credit risk. The Council's investments greater than 5% of the total investments balance were as follows:

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

Investments: (Continued)

| <u>Investment type:</u> | <u>Amount</u> |
|---|---------------|
| <u>Certificate of Deposit:</u> | |
| Millyard Bank Nashua; .4%; due 07/29/22 | \$ 200,000 |
| Synchrony Bank; .15%; due 10/13/22 | 200,000 |
| <u>Debt Securities:</u> | |
| U.S. Treasury Bill due 07/05/22 | 339,968 |

All investments were approved by the Board.

The Council categorizes its fair value measurements of its investments based on the hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The level 1 inputs are quoted prices in active markets for identical asset. Level 2 inputs are significant other observable inputs. Level 3 are significant unobservable inputs. The Council has the following recurring fair value measurements at June 30, 2022:

| | <u>June 30, 2022</u> | <u>Fair Value Measurements Using</u> | | |
|--|----------------------|--|--|--|
| | | <u>Quoted Prices in Active Markets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| Investments by Fair Value Level | | | | |
| Debt Investments: | | | | |
| U.S. Agency Obligations | \$ 363,113 | \$ - | \$ 363,113 | \$ - |
| Certificates of Deposits | 400,000 | - | 400,000 | - |
| Total Debt Investments | <u>763,113</u> | <u>-</u> | <u>763,113</u> | <u>-</u> |
| Total Investments at Fair Value Level | <u>\$ 763,113</u> | <u>\$ -</u> | <u>\$ 763,113</u> | <u>\$ -</u> |

Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

3. CAPITAL ASSETS:

All capital assets are stated at historical cost if actual historical cost is not available. Donated capital assets are stated at their estimated fair market value on the date donated.

| | Balance <u>July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>June 30, 2022</u> |
|--------------------------------|--------------------------------|------------------|------------------|---------------------------------|
| Building | \$ 56,883 | \$ - | \$ - | \$ 56,883 |
| Office furniture and equipment | 67,467 | - | - | 67,467 |
| Dining | 37,196 | 5,608 | - | 42,804 |
| Recreation equipment | 5,004 | - | - | 5,004 |
| Landscaping | 19,970 | - | - | 19,970 |
| Vehicles | 140,540 | 50,712 | (49,683) | 141,569 |
| Subtotal | <u>327,060</u> | <u>56,320</u> | <u>(49,683)</u> | <u>333,697</u> |
| Accumulated depreciation | <u>(270,822)</u> | <u>(13,506)</u> | <u>49,683</u> | <u>(234,645)</u> |
| Net Capital Assets | <u>\$ 56,238</u> | <u>\$ 42,814</u> | <u>\$ -</u> | <u>\$ 99,052</u> |

Depreciation expense in the amount of \$13,506 for the year ended June 30, 2022 was charged to governmental administrative activities.

4. INCOME TAX STATUS:

The St. Bernard Council on Aging, Inc., a nonprofit corporation, is exempt from federal income taxes under Section 501(C)(3) of the Internal Revenue Code.

5. ECONOMIC DEPENDENCY:

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the 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 in the next fiscal year.

6. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

7. TRANSACTIONS WITH PARISH GOVERNMENT:

Ad Valorem Taxes:

The Council receives funds from a contract with the St. Bernard Parish Government. The parish government agrees to provide funds generated from a one-mill Senior Citizens Building ad valorem tax to the Council, in addition to in-kind cost associated with the building, vehicle fuel and maintenance. The Council agrees to provide programs and activities to the senior population in St. Bernard Parish. The amount of funds received by the St. Bernard Parish Government from property taxes for the year ended June 30, 2022 was \$364,806.

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 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 St. Bernard Parish Government owns the building in which the Council operates. St. Bernard Parish had provided the Council with the use of the building at no charge. In addition, the parish government pays for the following:

| | |
|-------------------------|------------------|
| Insurance - Property | \$ 13,521 |
| Insurance - Flood | 2,950 |
| Utilities - Water | 824 |
| Utilities - Natural Gas | 1,545 |
| Utilities - Electric | <u>28,225</u> |
| Total | <u>\$ 47,065</u> |

The Council also received additional support through services contributed by volunteers without pay.

8. DEFERRED COMPENSATION PLAN:

In May, 1998, the Council established an Internal Revenue Code Section 457 deferred compensation plan for its full time employees. Under this plan, an eligible employee can elect to have a portion of his/her compensation reduced to have invested for retirement. There is no cost associated with this plan to the Council on Aging and participation is at the option of each full time employee.

ST. BERNARD COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

9. INTERFUND TRANSFERS:

Operating transfers in and out are listed by fund for the year ended June 30, 2022 as follows:

| | <u>Operating Transfers</u> | |
|---------------------------------------|----------------------------|-------------------|
| | <u>In From</u> | <u>Out To</u> |
| General Fund: | | |
| Title IIIB | \$ - | \$ 127,981 |
| Title IIIC-1 | - | 96,555 |
| Title IIIC-2 | - | 173,552 |
| Nonmajor Funds in the Aggregate | - | <u>761</u> |
| Total General Fund | <u>-</u> | <u>398,849</u> |
| Title IIIB Fund: | | |
| General Fund | <u>127,981</u> | - |
| Total Title IIIB Fund | <u>127,981</u> | <u>-</u> |
| Title IIIC-1 Fund: | | |
| General Fund | <u>96,555</u> | - |
| Total Title III C-1 Fund | <u>96,555</u> | <u>-</u> |
| Title IIIC-2 Fund: | | |
| General Fund | <u>173,552</u> | - |
| Total Title IIIC-2 Fund | <u>173,552</u> | <u>-</u> |
| Nonmajor Funds in the Aggregate: | | |
| General Fund | <u>761</u> | - |
| Total Nonmajor Funds in the Aggregate | <u>761</u> | <u>-</u> |
| Total Interfund Transfers | <u>\$ 398,849</u> | <u>\$ 389,349</u> |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires them to expend them, and (b) shift unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

10. COMPENSATION TO BOARD OF DIRECTORS:

The St. Bernard Council on Aging, Inc.'s Board of Directors did not receive compensation for their services for the fiscal year ending June 30, 2022.

ST. BERNARD COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

11. JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES:

There is no litigation pending against the Council as of year-end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

12. 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 significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

13. RISK MANAGEMENT:

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

ST. BERNARD COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - PCOA
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budget Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
|---|-----------------------|------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>GAAP</u> <u>Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 100,000 | \$ 100,000 | \$ 100,000 | \$ - |
| Public support: | | | | |
| Client contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Interest income | - | - | - | - |
| Total revenues | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| Travel | - | - | - | - |
| Meals | - | - | - | - |
| Capital outlay | - | - | - | - |
| Fundraiser | - | - | - | - |
| Contracted services | - | - | - | - |
| Operating services | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers out | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(100,000)</u> | <u>(100,000)</u> | <u>(100,000)</u> | <u>-</u> |
| Net increase (decrease) in fund balance | - | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

ST. BERNARD COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - TITLE IIIB SUPPORTIVE SERVICES
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budget Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
|--|-----------------------|------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>GAAP</u> <u>Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 74,909 | \$ 89,745 | \$ 88,509 | \$ (1,236) |
| Public support: | | | | |
| Client contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Interest income | - | - | - | - |
| Total revenues | <u>74,909</u> | <u>89,745</u> | <u>88,509</u> | <u>(1,236)</u> |
| EXPENDITURES: | | | | |
| Personnel | 134,816 | 102,869 | 115,260 | (12,391) |
| Fringe | 28,075 | 20,497 | 25,674 | (5,177) |
| Travel | 134 | 176 | 399 | (223) |
| Meals | - | - | - | - |
| Capital outlay | - | - | - | - |
| Contracted services | - | - | - | - |
| Operating services | 35,155 | 37,381 | 54,843 | (17,462) |
| Operating supplies | 12,426 | 10,999 | 19,476 | (8,477) |
| Miscellaneous | 24,662 | 24,767 | 838 | 23,929 |
| Total expenditures | <u>235,268</u> | <u>196,689</u> | <u>216,490</u> | <u>(19,801)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(160,359)</u> | <u>(106,944)</u> | <u>(127,981)</u> | <u>(21,037)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers in | 160,359 | 106,944 | 127,981 | 21,037 |
| Operating transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>160,359</u> | <u>106,944</u> | <u>127,981</u> | <u>21,037</u> |
| Net increase (decrease) in fund balance | - | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

ST. BERNARD COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - TITLE IIIC-1 CONGREGATE MEALS
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budget Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
|--|-----------------------|-----------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>GAAP</u> <u>Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 117,736 | \$ 144,552 | \$ 143,320 | \$ (1,232) |
| Public support: | | | | |
| Client contributions | 15,000 | 11,000 | 11,792 | 792 |
| Miscellaneous | - | - | - | - |
| Interest income | - | - | - | - |
| Total revenues | <u>132,736</u> | <u>155,552</u> | <u>155,112</u> | <u>(440)</u> |
| EXPENDITURES: | | | | |
| Personnel | 123,112 | 109,999 | 118,935 | (8,936) |
| Fringe | 25,638 | 21,917 | 26,329 | (4,412) |
| Travel | 164 | 230 | 319 | (89) |
| Meals | - | - | - | - |
| Capital outlay | - | - | - | - |
| Contracted services | - | - | - | - |
| Operating services | 105,447 | 89,409 | 98,003 | (8,594) |
| Operating supplies | 2,962 | 3,264 | 7,058 | (3,794) |
| Miscellaneous | 31 | 173 | 1,023 | (850) |
| Total expenditures | <u>257,354</u> | <u>224,992</u> | <u>251,667</u> | <u>(26,675)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(124,618)</u> | <u>(69,440)</u> | <u>(96,555)</u> | <u>(27,115)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers in | <u>124,618</u> | <u>69,440</u> | <u>96,555</u> | <u>27,115</u> |
| Total other financing sources (uses) | <u>124,618</u> | <u>69,440</u> | <u>96,555</u> | <u>27,115</u> |
| Net increase (decrease) in fund balance | - | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

ST. BERNARD COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - TITLE IIIC-2 HOME DELIVERED MEALS
FOR THE YEAR ENDED JUNE 30, 2022

| | <u>Budget Amounts</u> | | <u>Actual</u> <u>Amounts</u> | <u>Variance with</u> <u>Final Budget</u> |
|--|-----------------------|------------------|---------------------------------|---|
| | <u>Original</u> | <u>Final</u> | <u>GAAP</u> <u>Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 31,330 | \$ 52,088 | \$ 69,178 | \$ 17,090 |
| Public support: | | | | |
| Client contributions | 600 | 3,000 | 3,394 | 394 |
| Miscellaneous | - | - | - | - |
| Interest income | - | - | - | - |
| Total revenues | <u>31,930</u> | <u>55,088</u> | <u>72,572</u> | <u>17,484</u> |
| EXPENDITURES: | | | | |
| Personnel | 61,659 | 84,417 | 69,258 | 15,159 |
| Fringe | 12,841 | 16,820 | 9,159 | 7,661 |
| Travel | 143 | 267 | 80 | 187 |
| Meals | - | - | - | - |
| Capital outlay | - | - | - | - |
| Contracted services | - | - | - | - |
| Operating services | 148,022 | 155,569 | 151,440 | 4,129 |
| Operating supplies | 2,593 | 3,788 | 15,319 | (11,531) |
| Miscellaneous | 29 | 200 | 868 | (668) |
| Total expenditures | <u>225,287</u> | <u>261,061</u> | <u>246,124</u> | <u>14,937</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(193,357)</u> | <u>(205,973)</u> | <u>(173,552)</u> | <u>32,421</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers in | <u>193,357</u> | <u>205,973</u> | <u>173,552</u> | <u>(32,421)</u> |
| Total other financing sources (uses) | <u>193,357</u> | <u>205,973</u> | <u>173,552</u> | <u>(32,421)</u> |
| Net increase (decrease) in fund balance | - | - | - | - |
| FUND BALANCES AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCES AT END OF YEAR | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

ST. BERNARD COUNCIL ON AGING, INC.
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

| | Title IIIC Administrative <u>Services</u> | Title IIID Preventive <u>Health</u> | Title IIIE <u>Caregiver</u> | Total |
|--|---|---|--------------------------------|-----------------|
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Governor's Office of Elderly Affairs | \$ 26,874 | 3,330 | \$ 25,381 | \$ 55,585 |
| Public support: | | | | |
| Client contributions | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Interest income | - | - | - | - |
| Total revenues | <u>26,874</u> | <u>3,330</u> | <u>25,381</u> | <u>55,585</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Personnel | 11,576 | 491 | 6,289 | 18,356 |
| Fringe | 1,945 | 34 | 2,222 | 4,201 |
| Travel | - | - | - | - |
| Meals | - | - | - | - |
| Capital outlay | - | - | - | - |
| Contracted services | - | - | 13,570 | 13,570 |
| Operating services | 6,717 | 459 | 612 | 7,788 |
| Operating supplies | 1,464 | - | 3,449 | 4,913 |
| Total expenditures | <u>21,702</u> | <u>984</u> | <u>26,142</u> | <u>48,828</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>5,172</u> | <u>2,346</u> | <u>(761)</u> | <u>6,757</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers in | - | - | 761 | 761 |
| Operating transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>761</u> | <u>761</u> |
| Net increase (decrease) in fund balance | 5,172 | 2,346 | - | 7,518 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE AT END OF YEAR | <u>\$ 5,172</u> | <u>\$ 2,346</u> | <u>\$ -</u> | <u>\$ 7,518</u> |

ST. BERNARD COUNCIL ON AGING, INC.
OTHER SUPPLEMENTARY INFORMATION
COMPARATIVE SCHEDULE OF GENERAL CAPITAL ASSETS AND
CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2022

| | Financial Statement Balance <u>6/30/21</u> | <u>Additions</u> | <u>Deletions</u> | Financial Statement Balance <u>6/30/22</u> | State Property Regulation (Additions) <u>Deletions</u> | State Inventory Balance <u>6/30/22</u> |
|---|---|-------------------|-------------------|---|--|---|
| CAPITALASSETS, | | | | | | |
| AT COST: | | | | | | |
| Building | \$ 56,883 | \$ - | \$ - | \$ 56,883 | \$ 2,904 | \$ 53,979 |
| Vehicles | 140,540 | 50,712 | 49,683 | 141,569 | - | 141,569 |
| Dining | 37,196 | 5,608 | - | 42,804 | 14,394 | 28,410 |
| Office furniture and equipment | 67,467 | - | - | 67,467 | 33,655 | 33,812 |
| Recreation equipment | 5,004 | - | - | 5,004 | 1,056 | 3,948 |
| Landscaping | 19,970 | - | - | 19,970 | - | 19,970 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL GENERAL FIXED ASSETS | <u>\$ 327,060</u> | <u>\$ 56,320</u> | <u>\$ 49,683</u> | <u>\$ 333,697</u> | <u>\$ 52,009</u> | <u>\$ 281,688</u> |
| | | | | | | |
| CAPITALASSETS, | | | | | | |
| BY FUNDING SOURCES: | | | | | | |
| Funding sources: | | | | | | |
| Title IIIC administration | \$ 1,309 | \$ - | \$ - | \$ 1,309 | \$ 274 | \$ 1,035 |
| Title IIIB | 15,728 | - | - | 15,728 | 12,333 | 3,395 |
| Title IIIC-1 | 8,348 | - | - | 8,348 | 4,989 | 3,359 |
| Title IIIC-2 | 451 | - | - | 451 | 451 | - |
| Title IIID | 42 | - | - | 42 | - | 42 |
| Title IIIE | 164 | - | - | 164 | 92 | 72 |
| PCOA | 17,485 | - | 17,485 | - | - | - |
| General | 254,309 | 56,320 | 32,198 | 278,431 | 17,045 | 261,386 |
| Special and donations | 23,436 | - | - | 23,436 | 12,636 | 10,800 |
| Title IV Disaster grant | 5,788 | - | - | 5,788 | 4,189 | 1,599 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| TOTAL INVESTMENTS IN GENERAL FIXED ASSETS | <u>\$ 327,060</u> | <u>\$ 56,320</u> | <u>\$ 49,683</u> | <u>\$ 333,697</u> | <u>\$ 52,009</u> | <u>\$ 281,688</u> |

ST. BERNARD COUNCIL ON AGING, INC.
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2022

Agency Head: Susan McNeil, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|--------------------|------------------|
| Salary | \$ 55,686 |
| Benefits-insurance | <u>6,359</u> |
| Total | <u>\$ 62,045</u> |



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

December 20, 2022

To the Board of Directors
St. Bernard Council on Aging, Inc.
Chalmette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audit 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. Bernard Council on Aging, Inc., as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise St. Bernard Council On Aging, Inc.'s basic financial statements and have issued our report thereon dated December 20, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the St. Bernard Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in schedule of findings and responses as item listed 2022-001.

St. Bernard Council on Aging's Response to Audit Finding

The Council's response to the finding identified in our audit is described in the accompanying schedule of findings. The Council's response was not subjected to 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 described 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 Statutes 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Gruber, LLP

New Orleans, Louisiana

ST. BERNARD COUNCIL ON AGING, INC.
SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

SUMMARY OF AUDITOR'S RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of St. Bernard Council on Aging, Inc. for the fiscal year ended June 30, 2022.
2. Findings required to be reported under Generally Accepted Government Auditing Standards – None Noted.
3. Noncompliance required to be reported under *Governmental Auditing Standards*:

2022-01 Amended budget

Condition:

It was noted the St. Bernard Council On Aging did not amend the budget of Title III B, Title III C-1 and Title III C-2 when actual expenditures exceeded budgeted expenditures by more than ten percent as required by the contract with Governor's Office of Elderly Affairs.

Criteria:

In accordance with the contract with Governor's Office of Elderly Affairs, the Council is required to amend the budget when expenditures exceed ten percent of budgeted amounts.

Effect:

As a result, the Council is in noncompliance with the contract with the Governor's Office of Elderly Affairs.

Recommendation:

We recommend that the St. Bernard Council On Aging monitor its expenditures so that the budget can be amend in a timely manner when necessary.

Management's Response:

The Council will set up a review of financials after May's financials are completed and make necessary budget amendment if expenditures exceed ten percent over budget.

MANAGEMENT LETTER:

There was no management letter issued with this report.

PRIOR YEAR COMMENTS:

None Noted.

ST. BERNARD COUNCIL ON AGING, INC.

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JULY 1, 2021 – JUNE 30, 2022

ST. BERNARD COUNCIL ON AGING, INC.

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 14, 2022

Board of Directors
St. Bernard Council On Aging, Inc.
and The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the St. Bernard Council On Aging, Inc. (the Council) and the Louisiana Legislative Auditor, on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2022. St. Bernard Council On Aging, Inc.'s management is responsible for the control and compliance areas identified in the SAUPs.

St. Bernard Council On Aging, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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Written Policies and Procedures

1. Obtain and inspected the entity's written policies and procedures and observe whether they addressed each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) Disbursements, including processing, reviewing and approving.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Upon applying the agreed-upon procedures above, we noted the following:

1. The Council does not have written policies and procedures regarding contracting.
2. The Council's policies and procedures regarding travel and expense reimbursements do not include dollar thresholds by category of expense.
3. The Council's policies and procedures regarding ethics do not include actions to be taken if an ethics violation takes place, a system to monitor possible ethics violations, and a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Council's ethics policy.
4. The Council's policies and procedures regarding Information and Technology Disaster Recovery/Business Continuity do not include storage of backups in a separate physical location isolated from the network.
5. The Council's policies and procedures regarding sexual harassment do not include requirements for annual employee training and annual reporting.

Management's response: Management was unaware that missing items detailed above were required to be included in the policies and procedures, and will adjust the policies and procedures to include the missing items.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget-to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Board or Finance Committee (continued)

Upon applying the agreed-upon procedures above, we noted that budget to actual financial statements are not included in the board meeting minutes for 3 of the 4 required meeting minutes.

Management's Response: Budget to Actual comparisons will be prepared quarterly and presented to the board at each board meeting. Management was unaware this procedure was required.

Bank Reconciliations

3. Obtain a listing of the entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Inquire of management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

We noted no findings as a result of applying the above procedures.

Collections (excluding electronic funds transfers)

4. Obtain a list of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site select, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

We noted no findings as a result of applying the above procedures.

- 6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

We noted no findings as a result of applying the above procedures.

- 7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliation" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.
- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

We noted no findings as a result of applying the above procedures.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

We noted no findings as a result of applying the above procedures.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.
 - b) Observe the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

We noted no findings as a result of applying the above procedures.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Use the listing prepared by management and randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

We noted no findings as a result of applying the above procedures.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and

obtain supporting documentation for the transactions. For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny. For each transaction, observe it is supported by:

- a) An original itemized receipt that identifies precisely what was purchased,
- b) Written documentation of the business/public purpose,
- c) Documentation of the individuals participating in meals (for meals charges only)

We noted no findings as a result of applying the above procedures.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - b) If reimbursed using actual cost, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observed that the documentation includes the names of those individuals participating and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

We noted no findings as a result of applying the above procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:
 - a) Observe the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe the contract was approved by the governing body/board, if required by policy or law.

- c) If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms. (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

We noted no findings as a result of applying the above procedures.

Payroll and Personnel

- 16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtained related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

We noted no findings as a result of applying the above procedures.

- 17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

We noted no findings as a result of applying the above procedures.

- 18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

We noted no findings as a result of applying the above procedures.

- 19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums,

garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

We noted no findings as a result of applying the above procedures.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period
 - b) Observe the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

We noted no findings as a result of applying the above procedures.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

This section is not applicable. The Council has no debt.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This section is not applicable. The Council has no debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

We noted no findings as a result of applying the above procedures.

24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

We noted no findings as a result of applying the above procedures.

Information Technology Disaster Recovery/Business Continuity

25. Performed the following procedures:

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We noted no findings as a result of applying the above procedures.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the fiscal period.

We noted no findings as a result of applying the above procedures.

27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

We noted no findings as a result of applying the above procedures.

28. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

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- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Upon applying the agreed-upon procedures above, we noted the Council did not prepare the sexual harassment report for the fiscal period.

Management's Response: This report has been completed and will be done annually and filed with training certificates. Management was unaware that an annual report was required.

We were engaged by St. Bernard Council On Aging, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of St. Bernard Council On Aging, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report 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.

Duplantier, Sharpner, Hogan and Gruber, LLP

New Orleans, Louisiana