

R E P O R T

ST. BERNARD COUNCIL ON AGING, INC.

JUNE 30, 2017

ST. BERNARD COUNCIL ON AGING, INC.

INDEX TO REPORT

JUNE 30, 2017

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	4 - 7
FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
Statement of Net Position.....	8
Statement of Activities.....	9
FUND FINANCIAL STATEMENTS:	
Balance Sheet.....	10
Statement of Revenues, Expenditures and Changes in Fund Balance.....	11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	12
NOTES TO FINANCIAL STATEMENTS.....	13 - 27
REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION:	
Budgetary Comparison Schedule – PCOA.....	28
Budgetary Comparison Schedule – Title IIIB Supportive Services.....	29
Budgetary Comparison Schedule – Title IIIC-1 Congregate Meals.....	30
Budgetary Comparison Schedule – Title IIIC-2 Home Delivered Meals.....	31
OTHER SUPPLEMENTARY FINANCIAL INFORMATION:	
Schedule of Nonmajor Special Revenue Funds.....	32
Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets.....	33
Schedule of Compensation, Benefits, and Other Payments to Agency Head.....	34
REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	35 - 36
SCHEDULE OF FINDINGS.....	37



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

INDEPENDENT AUDITOR'S REPORT

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)

Felix J. Hrapmann, Jr., CPA  
(1919-1990)

William R. Hogan, Jr., CPA  
(1920-1996)

James Maher, Jr., CPA  
(1921-1999)

**New Orleans**

1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**

1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**

247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**

5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

December 21, 2017

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Bernard Council on Aging, Inc., as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the St. Bernard Council on Aging, Inc.'s basic financial statements as listed in the index to report.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

[www.dhhmcpa.com](http://www.dhhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Bernard Council on Aging, Inc., as of June 30, 2017 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Bernard Council on Aging, Inc.'s basic financial statements. The other supplementary information as listed in the index is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Nonmajor Special Revenue Funds, the Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets, and the Schedule of Compensation, Benefits, and Other Payments to Agency Head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Governmental Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017 on our consideration of the St. Bernard Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Bernard Council on Aging, Inc.'s internal control over financial reporting and compliance.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

New Orleans, Louisiana

ST. BERNARD COUNCIL ON AGING, INC.  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

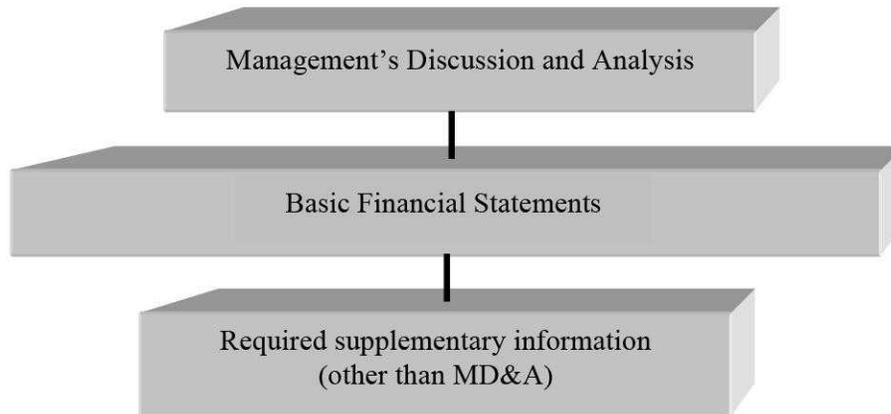
The Management’s Discussion and Analysis of the St. Bernard Council on Aging, Inc.’s financial performance presents a narrative overview and analysis of the St. Bernard Council on Aging, Inc.’s financial activities for the year ended June 30, 2017. This document focuses on the current year’s activities, 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 \$290,623 of ad valorem taxes from the St. Bernard Parish Government during the fiscal year ended June 30, 2017.
- \* As reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance, the St. Bernard Council on Aging, Inc. received \$351,208 for funding from the Governor’s Office of Elderly Affairs during the fiscal year ended June 30, 2017. Total amount received during the year ended June 30, 2016 was \$346,358.
- \* Total expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balance decreased by \$109,970 or 12.78%. Total expenditures for the years ended June 30, 2017 and 2016 was \$750,492 and \$860,462, 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, 2017

**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, 2017 and 2016

	2017	2016
Current assets:		
Cash and cash equivalents	\$ 186,034	\$ 148,333
Investments	449,905	511,030
Receivables	3,561	1,847
Capital assets	48,915	64,696
Total assets	\$ 688,415	725,906
Liabilities	\$ 5,905	\$ 9,289
Net position:		
Net investment in capital assets	\$ 48,915	\$ 64,696
Unrestricted	633,595	651,921
Total net position	\$ 682,510	\$ 716,617

ST. BERNARD COUNCIL ON AGING, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

Statement of Activities  
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Program Revenues	\$ 380,394	\$ 377,830
General Revenues:		
Contract income	290,623	293,560
Miscellaneous donations	41,566	31,891
Unrestricted investment income	19,582	15,705
Total Revenues	<u>732,165</u>	<u>718,986</u>
Direct Program Expenses of the Health, Welfare and Social Services Function:		
Supportive Services	176,631	202,820
Nutrition Services	338,722	364,351
Disease Prevention and Health Promotion	3,307	4,502
National Family Caregiver Support	18,144	11,363
Direct Administration Expenses	<u>229,468</u>	<u>285,985</u>
Total Expenses	<u>766,272</u>	<u>869,021</u>
Change in Net Position	(34,107)	(150,035)
Net Position, beginning of year	<u>716,617</u>	<u>866,652</u>
Net Position, end of year	<u>\$ 682,510</u>	<u>\$ 716,617</u>

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

The Council'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. expects results to change for subsequent years based on the following:

- \* We plan 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.

ST. BERNARD COUNCIL ON AGING, INC.  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2017

- \* 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, 2017

	Governmental Activities
<b>ASSETS:</b>	
Cash and cash equivalents	\$ 186,034
Investments at fair value	449,905
Receivable - GOEA	3,501
Interest receivable	60
Capital assets, net of accumulated depreciation	48,915
TOTAL ASSETS	688,415
<b>LIABILITIES:</b>	
Accrued expenses	5,905
TOTAL LIABILITIES	5,905
<b>NET POSITION:</b>	
Net investment in capital assets	48,915
Unrestricted	633,595
TOTAL NET POSITION	\$ 682,510

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Direct</u> <u>Expenses</u>	<u>Indirect</u> <u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u> <u>Revenue and</u> <u>Changes</u> <u>in Net Position</u> <u>Governmental</u> <u>Activities</u>
			<u>Charges</u> <u>for</u> <u>Services</u>	<u>Operating</u> <u>Grants and</u> <u>Contributions</u>	<u>Capital</u> <u>Grants and</u> <u>Contributions</u>	
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Homemaker	\$ 3,579	\$ -	\$ -	\$ 2,451	\$ -	\$ (1,128)
Information and assistance	31,319	6,384	-	25,823	-	(11,880)
Legal assistance	2,008	-	-	1,375	-	(633)
Outreach	1,740	339	-	1,424	-	(655)
Transportation	79,542	16,396	-	65,708	-	(30,230)
Recreation	52,694	24,182	-	52,654	-	(24,222)
Other services	5,749	1,064	-	4,666	-	(2,147)
Disease Prevention and Health Promotion:						
Other services	3,307	-	-	3,274	-	(33)
National Family Caregiver Support:						
Information and assistance	2,838	521	-	2,755	-	(604)
Respite	11,451	-	-	9,391	-	(2,060)
Other services	3,855	762	-	3,786	-	(831)
Nutrition Services:						
Congregate Meals	191,913	58,962	24,035	136,715	-	(90,125)
Home Delivered Meals	146,809	47,639	5,151	24,961	-	(164,336)
Administration	229,468	(156,249)	-	16,225	-	(56,994)
Total governmental activities	<u>\$ 766,272</u>	<u>\$ -</u>	<u>\$ 29,186</u>	<u>\$ 351,208</u>	<u>\$ -</u>	<u>(385,878)</u>
General Revenues:						
Grants and contributions not restricted to specific programs						332,189
Net appreciation on fair value of investments						16,668
Unrestricted investment income						2,914
Total general revenues						<u>351,771</u>
Decrease in net position						(34,107)
Net position - beginning of the year						716,617
Net position - end of the year						<u>\$ 682,510</u>

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Title IIIB Supportive Services	Title IIIC-1 Congregate Meals	Title IIIC-2 Home Delivered Meals	Non-Major Funds	Total
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 186,034	\$ -	\$ -	\$ -	\$ -	\$ 186,034
Investments at fair value	449,905	-	-	-	-	449,905
Interest receivable	60	-	-	-	-	60
Receivable - GOEA	3,501	-	-	-	-	3,501
TOTAL ASSETS	\$ 639,500	\$ -	\$ -	\$ -	\$ -	\$ 639,500
<b>LIABILITIES:</b>						
Accrued expenses	\$ 5,905	\$ -	\$ -	\$ -	\$ -	\$ 5,905
TOTAL LIABILITIES	5,905	-	-	-	-	5,905
<b>FUND BALANCE:</b>						
Unassigned	633,595	-	-	-	-	633,595
TOTAL FUND BALANCE	633,595	-	-	-	-	633,595
TOTAL LIABILITIES AND AND FUND BALANCE	\$ 639,500	\$ -	\$ -	\$ -	\$ -	
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						48,915
NET POSITION OF GOVERNMENTAL ACTIVITIES						\$ 682,510

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	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	\$ 82,282	\$ 71,819	\$ 136,715	\$ 24,961	\$ 35,431	\$ 351,208
Contract revenue	290,623	-	-	-	-	290,623
Public support:						
Client contributions	-	-	24,035	5,151	-	29,186
Miscellaneous	37,067	-	2,250	2,250	-	41,567
Interest income	2,914	-	-	-	-	2,914
Total revenues	<u>412,886</u>	<u>71,819</u>	<u>163,000</u>	<u>32,362</u>	<u>35,431</u>	<u>715,498</u>
EXPENDITURES:						
Personnel	-	128,491	112,385	65,969	13,251	320,096
Fringe	-	15,154	10,108	5,308	1,758	32,328
Travel	-	221	176	64	14	475
Meals	1,913	-	91,545	79,998	-	173,456
Capital outlay	7,100	-	-	-	-	7,100
Contracted services	10,800	5,587	1,060	-	11,437	28,884
Operating services	-	55,311	29,561	38,322	8,099	131,293
Operating supplies	1,009	14,251	6,040	4,787	4,400	30,487
Miscellaneous	20,391	5,982	-	-	-	26,373
Total expenditures	<u>41,213</u>	<u>224,997</u>	<u>250,875</u>	<u>194,448</u>	<u>38,959</u>	<u>750,492</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>371,673</u>	<u>(153,178)</u>	<u>(87,875)</u>	<u>(162,086)</u>	<u>(3,528)</u>	<u>(34,994)</u>
OTHER FINANCING SOURCES (USES):						
Net appreciation on fair value of investments	16,668	-	-	-	-	16,668
Operating transfers in	-	153,178	87,875	162,086	3,528	406,667
Operating transfers out	(406,667)	-	-	-	-	(406,667)
Total other financing sources (uses)	<u>(389,999)</u>	<u>153,178</u>	<u>87,875</u>	<u>162,086</u>	<u>3,528</u>	<u>16,668</u>
Net decrease in fund balance	(18,326)	-	-	-	-	(18,326)
Fund balance at beginning of year	651,921	-	-	-	-	651,921
FUND BALANCE AT END OF YEAR	<u>\$ 633,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 633,595</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, 2017

NET INCREASE (DECREASE) IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$ (18,326)
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>(15,781)</u>
INCREASE (DECREASE) IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (34,107)</u>

See accompanying notes.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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.

Reporting Entity:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate accounting principles generally accepted in the United States of America and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

Based on the criteria set forth in GASB Statement 39, *Determining Whether Certain Organizations Are Component Units*, which amended Statement 14, *The Financial 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. 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, 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 Governor's Office of Elderly Affairs' general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Reporting Entity: (Continued)

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

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*, included in the Council On Aging, Inc.'s Comprehensive Annual Financial Report for the year ended June 30, 2017 are the Management 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, 2017

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, 2017

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, 2017

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, 2017

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, 2017, 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, 2017

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.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fund Balance: (Continued)

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.

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, Certificates of Deposit, 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. Certificates of deposits include interest-bearing deposits with maturities in excess of 90 days. Investments include amounts in 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.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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 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 5 to 15 days of noncumulative vacation leave each year, depending on their length of service and employee status (regular full-time). Employees earn up to 10 days of sick leave each year. At June 30, 2017, 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).

ST. BERNARD COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Funding Policies and Sources of Funds: (Continued)

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.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

Cash and Cash Equivalents:

At June 30, 2017, the Council had cash and cash equivalents (book balances) totaling \$186,034. 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, 2017, the Council had \$210,462 in deposits, (bank balances) which was insured through federal deposit insurance.

Investments:

At June 30, 2017, 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>26 to 30</u>
U.S. Government Agencies	\$ 22,307	\$ -	\$ 22,307
Certificates of Deposits	<u>427,598</u>	<u>427,598</u>	<u>-</u>
	<u>\$ 449,905</u>	<u>\$ 427,598</u>	<u>\$ 22,307</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, 2017, the Council's bond investments and certificates of deposits were unrated. At June 30, 2017, \$92,391 of the Council's money market funds which are reported as cash equivalents were rated AAA by Standard and Poor's. The Council has no formal policy regarding credit risk.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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

Investments: (Continued)

*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. At June 30, 2017, the Council was not exposed to custodial credit risk. 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, 2017, the Council's investments were either held with U.S. Government Agencies or in certificates of deposits fully insured by the FDIC. The Council has no formal policy regarding concentration of credit risk.

The Council categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Council has the following recurring fair value measurements at June 30, 2017:

	June 30, 2017	Fair Value Measurements Using		
		Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Investments:				
U.S. Agency Obligations	\$ 22,307	\$ -	\$ 22,307	\$ -
Certificates of Deposits	427,598	-	427,598	-
Total Debt Investments	<u>449,905</u>	<u>-</u>	<u>449,905</u>	<u>-</u>
Total Investments at Fair Value Level	<u>\$ 449,905</u>	<u>\$ -</u>	<u>\$ 449,905</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, 2017

3. CAPITAL ASSETS:

All capital assets are stated at historical cost or estimated 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			Balance
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Building	\$ 56,845	\$ 7,100	\$ (18,889)	\$ 45,056
Office furniture and equipment	100,772	-	(22,828)	77,944
Dining	44,482	-	(6,376)	38,106
Recreation equipment	8,431	-	(1,825)	6,606
Landscaping	19,970	-	-	19,970
Vehicles	155,145	-	-	155,145
Subtotal	<u>385,645</u>	<u>7,100</u>	<u>(49,918)</u>	<u>342,827</u>
Accumulated depreciation	<u>(320,949)</u>	<u>(22,881)</u>	<u>49,918</u>	<u>(293,912)</u>
Net Capital Assets	<u>\$ 64,696</u>	<u>\$ (15,781)</u>	<u>\$ -</u>	<u>\$ 48,915</u>

Depreciation expense in the amount of \$22,881 for the year ended June 30, 2017 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, 2017

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, 2017 was \$290,623.

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	\$ 8,625
Insurance - Flood	2,833
Utilities - Water	1,236
Utilities - Natural Gas	1,207
Utilities - Electric	<u>18,949</u>
Total	<u><u>\$ 32,850</u></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, 2017

9. INTERFUND RECEIVABLES AND PAYABLES:

Because the Council operates its program under cost reimbursement type grants, it has to pay for costs using its General Fund money and then requests reimbursement for the advanced cost under the grant programs. Such advances create short-term interfund loans. There were no interfund receivables or payables at June 30, 2017.

10. INTERFUND TRANSFERS:

Operating transfers in and out are listed by fund for the year ended June 30, 2017 as follows:

	Operating Transfers	
	In From	Out To
General Fund:		
Title IIIB	\$ -	\$ 153,178
Title IIIC-1	-	87,875
Title IIIC-2	-	162,086
Nonmajor Funds in the Aggregate	-	3,528
Total General Fund	-	406,667
 Title IIIB Fund:		
General Fund	153,178	-
Total Title IIIB Fund	153,178	-
 Title IIIC-1 Fund:		
General Fund	87,875	-
Total Title III C-1 Fund	87,875	-
 Title IIIC-2 Fund:		
General Fund	162,086	-
Total Title IIIC-2 Fund	162,086	-
 Nonmajor Funds in the Aggregate:		
General Fund	3,528	-
Total Nonmajor Funds in the Aggregate	3,528	-
 Total Interfund Transfers	\$ 406,667	\$ 406,667

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.

ST. BERNARD COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

11. 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, 2017.

12. 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.

13. 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.

14. 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, 2017

	<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	\$ 37,500	\$ 37,500	\$ 37,500	\$ -
Public support:				
Client contributions	-	-	-	-
Miscellaneous	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>37,500</u>	<u>37,500</u>	<u>37,500</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>37,500</u>	<u>37,500</u>	<u>37,500</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers out	<u>(37,500)</u>	<u>(37,500)</u>	<u>(37,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,500)</u>	<u>(37,500)</u>	<u>(37,500)</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, 2017

	<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	\$ 71,819	\$ 71,819	\$ 71,819	\$ -
Public support:				
Client contributions	-	-	-	-
Miscellaneous	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>71,819</u>	<u>71,819</u>	<u>71,819</u>	<u>-</u>
EXPENDITURES:				
Personnel	136,892	129,182	128,491	691
Fringe	32,978	29,870	15,154	14,716
Travel	287	228	221	7
Meals	-	-	-	-
Capital outlay	-	-	-	-
Contracted services	-	-	5,587	(5,587)
Operating services	53,514	38,027	55,311	(17,284)
Operating supplies	18,535	13,646	14,251	(605)
Miscellaneous	7,465	7,572	5,982	1,590
Total expenditures	<u>249,671</u>	<u>218,525</u>	<u>224,997</u>	<u>(6,472)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(177,852)</u>	<u>(146,706)</u>	<u>(153,178)</u>	<u>(6,472)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	<u>177,852</u>	<u>146,706</u>	<u>153,178</u>	<u>6,472</u>
Total other financing sources (uses)	<u>177,852</u>	<u>146,706</u>	<u>153,178</u>	<u>6,472</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, 2017

	<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	\$ 136,715	\$ 136,715	\$ 136,715	\$ -
Public support:				
Client contributions	-	-	24,035	24,035
Miscellaneous	-	-	2,250	2,250
Interest income	-	-	-	-
Total revenues	<u>136,715</u>	<u>136,715</u>	<u>163,000</u>	<u>26,285</u>
EXPENDITURES:				
Personnel	130,416	117,071	112,385	4,686
Fringe	31,417	27,070	10,108	16,962
Travel	349	282	176	106
Meals	-	-	-	-
Capital outlay	-	-	-	-
Contracted services	-	-	1,060	(1,060)
Operating services	125,169	110,602	121,106	(10,504)
Operating supplies	7,961	6,495	6,040	455
Miscellaneous	17	26	-	26
Total expenditures	<u>295,329</u>	<u>261,546</u>	<u>250,875</u>	<u>10,671</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(158,614)</u>	<u>(124,831)</u>	<u>(87,875)</u>	<u>36,956</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	<u>158,614</u>	<u>124,831</u>	<u>87,875</u>	<u>(36,956)</u>
Total other financing sources (uses)	<u>158,614</u>	<u>124,831</u>	<u>87,875</u>	<u>(36,956)</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, 2017

	<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	\$ 24,961	\$ 24,961	\$ 24,961	\$ -
Public support:				
Client contributions	-	-	5,151	5,151
Miscellaneous	-	-	2,250	2,250
Interest income	-	-	-	-
Total revenues	<u>24,961</u>	<u>24,961</u>	<u>32,362</u>	<u>7,401</u>
EXPENDITURES:				
Personnel	73,264	68,393	65,969	2,424
Fringe	17,649	15,814	5,308	10,506
Travel	282	217	64	153
Meals	-	-	-	-
Capital outlay	-	-	-	-
Contracted services	-	-	-	-
Operating services	141,143	111,275	118,320	(7,045)
Operating supplies	6,437	4,984	4,787	197
Miscellaneous	14	20	-	20
Total expenditures	<u>238,789</u>	<u>200,703</u>	<u>194,448</u>	<u>6,255</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(213,828)</u>	<u>(175,742)</u>	<u>(162,086)</u>	<u>(13,656)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	<u>213,828</u>	<u>175,742</u>	<u>162,086</u>	<u>(13,656)</u>
Total other financing sources (uses)	<u>213,828</u>	<u>175,742</u>	<u>162,086</u>	<u>(13,656)</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, 2017

	Title IIIC Administrative Services	Title IIID Preventive Health	Title IIIE Caregiver	Total
REVENUES:				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 16,225	\$ 3,274	\$ 15,932	\$ 35,431
Public support:				
Client contributions	-	-	-	-
Miscellaneous	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>16,225</u>	<u>3,274</u>	<u>15,932</u>	<u>35,431</u>
EXPENDITURES:				
Current:				
Personnel	9,869	-	3,382	13,251
Fringe	806	-	952	1,758
Travel	-	-	14	14
Meals	-	-	-	-
Capital outlay	-	-	-	-
Contracted services	-	-	11,437	11,437
Operating services	4,291	3,307	501	8,099
Operating supplies	1,259	-	3,141	4,400
Total expenditures	<u>16,225</u>	<u>3,307</u>	<u>19,427</u>	<u>38,959</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(33)</u>	<u>(3,495)</u>	<u>(3,528)</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	33	3,495	3,528
Operating transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>33</u>	<u>3,495</u>	<u>3,528</u>
Net increase (decrease) in fund balance	-	-	-	-
FUND BALANCE AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ST. BERNARD COUNCIL ON AGING, INC.  
OTHER SUPPLEMENTARY INFORMATION  
COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND  
CHANGES IN GENERAL FIXED ASSETS  
FOR THE YEAR ENDED JUNE 30, 2017

	Audit Balance <u>6/30/16</u>	<u>Additions</u>	<u>Deletions</u>	Audit Balance <u>6/30/17</u>	State Property Regulation (Additions) <u>Deletions</u>	State Inventory Balance <u>6/30/17</u>
GENERAL FIXED ASSETS,						
AT COST:						
Building	\$ 56,845	\$ 7,100	\$ 18,889	\$ 45,056	\$ 3,169	\$ 41,887
Vehicles	155,145	-	-	155,145	-	155,145
Dining	44,482	-	6,376	38,106	15,304	22,802
Office furniture and equipment	100,772	-	22,828	77,944	40,634	37,310
Recreation equipment	8,431	-	1,825	6,606	2,658	3,948
Landscaping	19,970	-	-	19,970	-	19,970
	<u>385,645</u>	<u>7,100</u>	<u>49,918</u>	<u>342,827</u>	<u>61,765</u>	<u>281,062</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 385,645</u>	<u>\$ 7,100</u>	<u>\$ 49,918</u>	<u>\$ 342,827</u>	<u>\$ 61,765</u>	<u>\$ 281,062</u>
INVESTMENT IN GENERAL FIXED ASSETS:						
Property acquired with funds from:						
Title IIIC administration	\$ 1,309	\$ -	\$ -	\$ 1,309	\$ 274	\$ 1,035
Title IIIB	30,255	-	10,300	19,955	15,204	4,751
Title IIIC-1	33,643	-	25,295	8,348	4,989	3,359
Title IIIC-2	452	-	1	451	451	-
Title IIID	2,550	-	2,508	42	-	42
Title IIIE	8,330	-	6,370	1,960	92	1,868
PCOA	19,325	-	-	19,325	-	19,325
General	253,921	7,100	1,377	259,644	22,461	237,183
Special and donations	25,303	-	1,867	23,436	12,636	10,800
Title IV Disaster grant	10,557	-	2,200	8,357	5,658	2,699
	<u>385,645</u>	<u>7,100</u>	<u>49,918</u>	<u>342,827</u>	<u>61,765</u>	<u>281,062</u>
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 385,645</u>	<u>\$ 7,100</u>	<u>\$ 49,918</u>	<u>\$ 342,827</u>	<u>\$ 61,765</u>	<u>\$ 281,062</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, 2017

Agency Head: Susan McNeil, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 51,708
Benefits-insurance	4,813
Registration fees	<u>200</u>
Total	<u>\$ 56,721</u>



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)  
Felix J. Hrapmann, Jr., CPA  
(1919-1990)  
William R. Hogan, Jr., CPA  
(1920-1996)  
James Maher, Jr., CPA  
(1921-1999)

**New Orleans**  
1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**  
1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**  
247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**  
5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

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 21, 2017

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, 2017, 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 21, 2017.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion 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.

[www.dhhmcpa.com](http://www.dhhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

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.

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

***Duplantier, Hrapmann, Hogan & Maher, LLP***

New Orleans, Louisiana

ST. BERNARD COUNCIL ON AGING, INC.  
SCHEDULE OF FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017

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, 2017.
2. Findings required to be reported under Generally Accepted Government Auditing Standards – None Noted.

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  
JUNE 30, 2017

ST. BERNARD COUNCIL ON AGING, INC.

TABLE OF CONTENTS

JUNE 30, 2017

	<u>PAGE</u>
STATEWIDE AGREED UPON PROCEDURES .....	1 - 12



Duplantier  
Hrapmann  
Hogan &  
Maher, LLP

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED UPON PROCEDURES

December 19, 2017

William G. Stamm, CPA  
Lindsay J. Calub, CPA, LLC  
Guy L. Duplantier, CPA  
Michelle H. Cunningham, CPA  
Dennis W. Dillon, CPA  
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA  
Terri L. Kitto, CPA

Michael J. O'Rourke, CPA  
David A. Burgard, CPA  
Clifford J. Giffin, Jr., CPA

A.J. Duplantier, Jr., CPA  
(1919-1985)  
Felix J. Hrapmann, Jr., CPA  
(1919-1990)  
William R. Hogan, Jr., CPA  
(1920-1996)  
James Maher, Jr., CPA  
(1921-1999)

**New Orleans**  
1615 Poydras Street,  
Suite 2100  
New Orleans, LA 70112  
Phone: (504) 586-8866  
Fax: (504) 525-5888

**Northshore**  
1290 Seventh Street  
Slidell, LA 70458  
Phone: (985) 641-1272  
Fax: (985) 781-6497

**Houma**  
247 Corporate Drive  
Houma, LA 70360  
Phone: (985) 868-2630  
Fax: (985) 872-3833

**Napoleonville**  
5047 Highway 1  
P.O. Box 830  
Napoleonville, LA 70390  
Phone: (985) 369-6003  
Fax: (985) 369-9941

Board of Directors  
St. Bernard Council on Aging Inc. and the  
Louisiana Legislative Auditor

We have applied the procedures enumerated below which were agreed to by the St. Bernard Council on Aging, Inc. (the Council) and the Louisiana Legislative Auditor, solely with respect to the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed Upon Procedures for the year ended June 30, 2017. The Council's management is responsible for the control and compliance areas identified in the Statewide Agreed Upon Procedures. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

- 1) We obtained the entity's written policies and procedures and determined whether those written policies and procedures addressed each of the following financial/business functions, as applicable:
  - 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.

[www.dhhmcpa.com](http://www.dhhmcpa.com)

Members  
American Institute of  
Certified Public Accountants  
Society of LA CPAs

- d) Receipts, including receiving, recording, and preparing deposits.
- e) Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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, and (5) monitoring card usage.
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Upon applying the agreed upon procedures above, we noted that the Council has policies and procedures over purchasing, disbursements, receipts, payroll, contracting, and credit cards; however the policies and procedures were not written.

**Board**

- 2) We obtained and reviewed the board/committee minutes for the fiscal period, and:
  - a) Determined whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
  - b) Determined whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
  - c) Determined whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

No findings were noted as a result of applying the procedure above.

**Bank Reconciliations**

- 3) We obtained a listing of client bank accounts from management and management's representation that the listing is complete.

No findings were noted as a result of applying the procedure above.

- 4) Using the listing provided by management, we selected all of the entity's bank accounts. For each of the bank accounts selected, we obtained bank statements and reconciliations for all months in the fiscal period and determined whether:
- a) Bank reconciliations have been prepared;
  - b) Bank reconciliations included evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) had reviewed each bank reconciliation; and
  - c) Management had documentation reflecting that it had researched reconciling items that have been outstanding for more than six months as of the end of the fiscal period.

No findings were noted as a result of applying the procedure above.

**Collections**

- 5) We obtained a listing of cash/check/money order (cash) collection locations and management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 6) Using the cash collection listing provided by management, we selected all of the entity's cash collection locations. For each cash location selected:
- a) We obtained existing written documentation (e.g. insurance policy, policy manual, job description) and determined whether each person responsible for collecting cash was (1) bonded; (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party); and (3) not required to share the same cash register or drawer with another employee.
  - b) We obtained existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and determined whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who was not responsible for cash collections in the cash collection location selected.

- c) We selected the highest dollar week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - i. Using entity collection documentation, deposit slips, and bank statements, we traced daily collections to the deposit date on the corresponding bank statement and determined whether the deposits were made within one day of collection. If deposits were not made within one day of collection, we determined the number of days from receipt to deposit for each day at each collection location.
  - ii. Using sequentially numbered receipts, system reports, or other related collection documentation, we verified that daily cash collections were completely supported by documentation and report any exceptions.

Upon applying the procedure above, we noted there was no written documentation stating that each person responsible for collecting cash was not also responsible for depositing cash in the bank, recording the related transaction, or reconciling the related bank account. We also noted there was no written documentation for how the Council reconciles cash collections for each revenue source to the general ledger or subsidiary ledgers by a person who is not responsible for cash collections.

- 7) We obtained existing written documentation (e.g. policy manual, written procedure) and determined whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and 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) by a person who was not responsible for collections.

Upon applying the procedure above, we noted that the Council does not have written documentation to determine completeness of all collections, including electronic transfers, for each revenue source and by a person who is not responsible for collections.

**Disbursements – General (excluding credit card purchases or payments)**

- 8) We obtained a listing of entity disbursements from management or, alternately, obtained the general ledger and sorted/filtered for entity disbursements. We also obtained management's representation that the listing or general ledger population was complete.

No findings were noted as a result of applying the procedure above.

- 9) Using the disbursement population from agreed upon procedure number 8 above, we randomly selected 25 disbursements excluding credit card/ debit card/ fuel card/ P-card purchases or payments. We obtained supporting documentation (e.g. purchase requisitions, system screens/ logs) for each transaction and determined whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Upon applying the procedure above, we noted that no purchase orders or requisitions were used to initiate purchases of the 10 items in our sample. As a result, we were not able to determine that the person who approved the purchase did not initiate the purchase. In addition, payments for the 10 disbursements selected were processed without an approved requisition or purchase order.

- 10) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the person responsible for processing payments was prohibited from adding vendors to the entity's purchasing/disbursement system.

Upon applying the procedure above, we noted there was no existing written documentation prohibiting the person from processing payments from also adding vendors to the Council's purchasing and disbursement system.

- 11) Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), we determined whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Upon applying the procedure above, we noted there was no existing written documentation regarding whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

- 12) We inquired of management and observed whether the supply of unused checks was maintained in a locked location, with access restricted to those persons that do not have signatory authority, and noted any exceptions. Alternately, if the checks were electronically printed on blank check stock, we reviewed entity documentation (electronic system control documentation) and determined whether the persons with signatory authority have system access to print checks.

No findings were noted as a result of applying the procedure above.

- 13) When signature stamp or signature machine was used, we inquired of the signer whether his or her signature was maintained under his or her control or was used only with the

knowledge and consent of the signer. We inquired of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed.

No findings were noted as a result of applying the procedure above.

### Credit Cards

- 14) We obtained from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. We also obtained management's representation that the listing was complete.

No findings were noted as a result of applying the procedure above.

- 15) Using the listing prepared by management, we randomly selected one-third of the credit cards that were used during the fiscal period, rotating cards each year. We obtained the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. We selected the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Determined whether there was evidence that the monthly statement or combined statement and supporting documentation were reviewed and approved, in writing, by someone other than the authorized card holder.
- b) Determined whether finance charges and/or late fees were assessed on the selected statements.

No findings were noted as a result of applying the procedure above.

- 16) Using the monthly statements or combined statements selected under agreed upon procedure number 15 above, we obtained supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

- a) For each transaction, we determined that the transaction was supported by:
  - i. An original itemized receipt (i.e., identifies precisely what was purchased).
  - ii. Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - iii. Other documentation that may be required by written policy (e.g., purchase order, written authorization).
- b) For each transaction, we compared the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/

disbursement policies and the Louisiana Public Bid Law (i.e. transaction was a large or recurring purchase requiring the solicitation of bids or quotes) and noted any exceptions.

- c) For each transaction, we compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.

No findings were noted as a result of applying the procedure above.

### **Travel and Expense Reimbursement**

- 17) We obtained from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sorted/filtered for travel reimbursements. We also obtained management's representation that the listing and general ledger was complete.

No findings were noted as a result of applying the procedure above.

- 18) We obtained the entity's written policies related to travel and expense reimbursements. We compared the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)) and determined any amounts that exceed GSA rates.

No findings were noted as a result of applying the procedure above.

- 19) Using the listing from agreed upon procedure number 17 above, we selected the three persons who incurred the most travel costs during the fiscal period. We obtained the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and chose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) We compared expense documentation to written policies and determined whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity did not have written policies, we compared to the GSA rates (number 18 above) and determined each reimbursement that exceeded those rates.
- b) We determined whether each expense was supported by:

- i. An original itemized receipt that identified precisely what was purchased. (Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) did not require a receipt.)
  - ii. Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
  - iii. Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).
- c) We compared the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and reported any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). When the nature of the transaction precluded or obscured a comparison to the requirements of Article 7, Section 14, the practitioner reported the transaction as an exception.
- d) We determined whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No findings were noted as a result of applying the procedure above.

### Contracts

- 20) We obtained a listing of all contracts in effect during the fiscal period or, alternately, obtained the general ledger and sorted/filtered for contract payments. We also obtained management's representation that the listing or general ledger was complete.

No findings were noted as a result of applying the procedure above.

- 21) Using the listing above, we selected the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). We obtained the related contracts and paid invoices and:
- a) Determined whether there was a formal/written contract that supported the services arrangement and the amount paid.
  - b) Compared each contract's detail to the Louisiana Public Bid Law or Procurement Code. We determined whether each contract was subject to the Louisiana Public Bid Law or Procurement Code and:
    - i. If yes, we obtained/compared supporting contract documentation to legal requirements and determined whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder).

- ii. If no, we obtained supporting contract documentation and determined whether the entity solicited quotes as a best practice.
- c) Determined whether the contract was amended. If so, we determined the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Selected the largest payment from each of the five contracts, obtained the supporting invoice, compared the invoice to the contract terms, and determined whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtained/reviewed contract documentation and board minutes and determined whether there was documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Upon applying the procedure above, we noted that there were four instances in which the amount paid did not agree to the contract. There was one instance in which the contract did not stipulate an amount or any payment terms.

### **Payroll and Personnel**

- 22) We obtained a listing of employees (and elected officials, if applicable) with their related salaries, and obtained management's representation that the listing was complete. We randomly selected five employees/officials, obtained their personnel files, and:
- a) Reviewed compensation paid to each employee during the fiscal period and determined whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
  - b) Reviewed changes made to hourly pay rates/salaries during the fiscal period and determined whether those changes were approved in writing and in accordance with written policy.

No findings were noted as a result of applying the procedure above.

- 23) We obtained attendance and leave records and randomly selected one pay period in which leave has been taken by at least one employee. Within that pay period, we randomly selected one-third of employees/officials and:
- a) Determined whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
  - b) Determined whether there was written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

- c) Determined whether there was written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

No findings were noted as a result of applying the procedure above.

- 24) We obtained from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list was complete. We selected the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtained the personnel files for the two employees/officials. We determined whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

No findings were noted as a result of applying the procedure above.

- 25) We obtained supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. We determined whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

No findings were noted as a result of applying the procedure above.

### Ethics

- 26) Using the five randomly selected employees/officials from agreed upon procedure number 22 under "Payroll and Personnel" above, we obtained ethics compliance documentation from management and determined whether the entity maintained documentation to demonstrate that required ethics training was completed.

Ethics was not applicable to the Council.

- 27) We inquired of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, we reviewed documentation that demonstrated whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. We determined whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Ethics was not applicable to the Council.

### Debt Service (excluding nonprofits)

- 28) For debt that was issued during the fiscal period, we obtained supporting documentation from the entity, and determined whether State Bond Commission approval was obtained.

Debt service was not applicable to the Council.

- 29) For the outstanding debt during the fiscal period, we obtained supporting documentation from the entity and determined whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Debt service was not applicable to the Council.

- 30) For the tax millages relating to debt service, we obtained supporting documentation and determined whether millage collections exceeded debt service payments by more than 10% during the fiscal period. Also, we determined any millages that continued to be received for debt that has been paid off.

Debt service was not applicable to the Council.

Other

- 31) We inquired of management whether the entity had any misappropriations of public funds or assets. If so, we obtained/reviewed supporting documentation and determined whether the entity reported the misappropriation to the Legislative Auditor and the Council Attorney of the parish in which the entity is domiciled.

No findings were noted as a result of applying the procedure above.

- 32) We observed and determined whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Upon applying the procedure above, we noted that entity has not posted, on its premises and website, the notice required by R.S. 24:523.1.

- 33) When the practitioner observed or otherwise identified any exceptions regarding management's representations in the procedures above, the practitioner reported the nature of each exception.

No findings were noted as a result of applying the procedure above.

This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the control and compliance areas identified in the Statewide Agreed Upon Procedures. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

December 19, 2017

This report is intended solely for the information and use of the Council and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.

*Duplantier, Hrapmann, Hogan & Maher, LLP*

New Orleans, Louisiana