

Financial Report

Lafourche Council on Aging, Inc.
Mathews, Louisiana

June 30, 2020



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To the Board of Directors
Lafourche Council on Aging
Matthews, Louisiana

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-19 and 64-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds and the Comparative Schedule of Capital Assets and Changes in Capital Assets are presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA). In addition, Louisiana Revised Statute 24:513 (A)(3), as amended, requires the Council to present a supplementary schedule of Compensation, Benefits, and Other Payments Made to the Council's Executive Director for the fiscal year. These schedules are not a required part of the basic financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



T.S. Kearns & Co, CPA
Thibodaux, Louisiana
December 16, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lafourche Council on Aging, Inc.

Fiscal Year Ended June 30, 2020

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

Financial Highlights

- The Council showed a increase in overall net position of \$79,841 or about 1.9%.
- Net investment in capital assets of the Council decreased by \$8,681 or about 3%.
- Administrative expenses increased by \$24,602 this year or about 5.5%.
- The unassigned fund balance for the Council's General Fund increased by \$99,325 this year, which is about a 2.5% increase from the prior year.
- Fund revenues increased by \$242,763 or about 8.4%.
- Fund expenditures decreased \$61,477 or about 2%.
- No deficit fund balances existed at year-end.
- The Council has no long-term debt.

How to Use This Annual Report

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

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

The government-wide financial statements, which consist of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B), provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

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

On page 76 of this reporting package is a second auditor's report. This report is on the Council's compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*. In this report the auditor did not identify any deficiencies in internal control over financial reporting that he considered to be material weaknesses. In addition, the auditor stated that his tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

BASIC FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The government-wide financial statements are prepared using the accrual basis of accounting and are designed to provide readers with a broad overview of the Council's finances in a manner similar to a private sector business. When using these financial statements the user should consider whether the Council's finances, as a whole, have improved or deteriorated since last year. The government-wide financial statements report the Council's net position and changes in them.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

However, to assess the overall financial position of the Council, the user must also consider non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Net Position (Exhibit A) presents all assets and liabilities and the Council's financial position at year-end, whereas the Statement of Activities (Exhibit B) presents information showing how the Council's net position changed during this fiscal year as a result of the Council's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only affect cash flows in future fiscal periods.

All of the Council's significant activities are reported in the Statement of Activities, including a Health, Welfare, and Social Services function and an Administration function. The Health, Welfare, and Social Services function is comprised of five distinct programs that include supportive services, nutritional services, family caregiver support, disease prevention and health promotion, and senior citizens center operations. There is also a line item for *Other Services and Activities*, which consists of a variety of services that individually do not represent very large expenditures. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail.

All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees to cover all or most of the cost of providing a service, that activity might be classified as a business-type activity. The Council does not have any business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements (Exhibits C and D)

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Accordingly, the governmental funds use the modified accrual basis of accounting. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. The governmental fund balance sheet (Exhibit C) presents a reconciliation between net position of governmental activities and fund balances of the governmental funds. A reconciliation between the change in fund balances for the governmental funds and the change in net position for the governmental activities is presented in Exhibit E.

The Council uses two types of governmental funds: (1) general fund and (2) special revenue funds. The general fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Council's general fund receives general revenue primarily from a property tax, some GOEA grants, and public donations. General funds are often transferred to special revenue funds to help pay for expenditures that exceed their fund revenues. All other funds are special revenue funds that are used to account for the proceeds of specific revenue sources which are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues. The special revenue funds have no fund balance at year-end because all revenue received is expended in the same year.

The Council has presented the General Fund, Title III B Fund, Title III C-1 Fund, and Title III C-2 Fund as *major* governmental funds. All *nonmajor* governmental funds are presented in one column on the fund financial statements, titled *Nonmajor Funds*. A combining Schedule of Revenues, Expenditures, and Changes in Fund Balance of the nonmajor governmental funds can be found on page 72.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 27 of this report. They should be read before making assumptions or conclusions about the Council's financial condition.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 64 to 67). The schedules compare the original and final (if the original budget is amended) budgets to actual results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present a combining schedule that provides details about nonmajor governmental funds and a schedule containing details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (See pages 72 and 73).

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

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

Condensed Statement of Net Position

	2020	2019	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 4,130,876	\$ 3,980,900	\$ 149,976
Other Assets	7,545	7,545	-
Capital Assets, net of depreciation	297,887	306,568	(8,681)
Total Assets	<u>4,436,308</u>	<u>4,295,013</u>	<u>141,295</u>
Current Liabilities	95,288	33,834	61,454
Total Liabilities	<u>95,288</u>	<u>33,834</u>	<u>61,454</u>
Net Position:			
Net Investment in Capital Assets	297,887	306,568	(8,681)
Restricted	487	299	188
Unrestricted	4,042,646	3,954,312	88,334
Total Net Position	<u>\$ 4,341,020</u>	<u>\$ 4,261,179</u>	<u>\$ 79,841</u>

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's net position at the end of this year was \$4,341,020, whereas net position as of the end of last year was \$4,261,179. The net position amount as of June 30, 2020 represents an increase of about 1.9% from last year.

About 93% of the Council's net position is unrestricted at the end of this year which is the same as last year. Unrestricted assets are important because they provide management the necessary resources to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by governmental agencies.

Restricted net position is less than 1% of total net position as of June 30, 2020 and 2019. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps assure that management will stay within its financial means so that future revenues will be spent for client services instead of debt service. Net investment in capital assets represents about 7% of total net position at the end of this year which is the same as last year.

Current assets increased by \$149,976 this year. At June 30, 2020 about 99% of the Council's current assets are in cash. The Council's cash at June 30, 2020 is \$126,233 more than cash at June 30, 2019.

The table presented below illustrates a summarized or condensed presentation of the revenues and expenses that caused the change in net position for FY 2020 and FY 2019, respectively.

Condensed Statement of Activities

<u>Revenues</u>	2020	% of Total	2019	% of Total
Program Revenues:				
Operating Grants and Contributions	\$ 848,408	27.65%	\$ 770,718	27.27%
Capital Grants and Contributions	109,369	3.56%	105,350	3.73%
Charges for Services	714	0.02%	1,786	0.06%
General Revenues:				
Property Taxes, net of pension withholding	1,817,117	59.21%	1,835,757	64.94%
Unrestricted Grants and Contributions	266,743	8.69%	103,232	3.65%
Interest Income	26,561	0.87%	9,860	0.35%
Total Revenues	\$ 3,068,912	100.00%	\$ 2,826,703	100.00%
<u>Direct Program Expenses of the Health, Welfare, and Social Services Function:</u>				
Supportive Services	1,482,118	49.58%	1,418,893	48.87%
Nutrition Services	895,428	29.96%	854,027	29.41%
Family Caregiver Support	68,337	2.29%	105,032	3.62%
Disease Prevention and Health Promotion	5,527	0.18%	7,894	0.27%
Senior Citizens Center Operations	29,273	0.98%	39,522	1.36%
Other Services and Activities	36,974	1.24%	31,428	1.08%
Direct Administrative Expenses	471,414	15.77%	446,812	15.39%
Total Expenses	\$ 2,989,071	100.00%	\$ 2,903,608	100.00%
Increase (Decrease) in Net Position	79,841		(76,905)	
Net Position beginning of the year	4,261,179		4,338,084	
Net Position end of the year	\$ 4,341,020		\$ 4,261,179	

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Governmental activities increased the Council's net position by \$79,841 this year whereas it decreased net position by \$76,905 last year.

The largest source of revenue in both years was from a local property tax. The gross proceeds of the property tax were \$1,877,758 for 2020 (\$1,895,843 for 2019). However, the Lafourche Parish Sheriff withheld \$60,641 (\$60,086 for 2019) of the gross proceeds to pay for the Council's pro-rata share of various retirement plan expenses for other governmental agencies. As a result, the Council received net property tax proceeds of \$1,817,117 (\$1,835,757 for 2019).

In the Statement of Activities the net proceeds of the property taxes have been presented as general revenues because this money can be used to benefit any of the Council's programs. Further, management has elected to offset the gross property tax amount with the amount kept by the Sheriff rather than add it to the Council's administrative expenses because it is not a true administrative expense of the Council.

In both years, the second largest source of revenue is comprised of operating grants and contributions. These revenues must be used for the purposes for which they were given or granted to the Council.

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

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

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that all of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*. The Council's ability to support all governmental activities rely heavily on general revenues, particularly the local property tax. As a result, management prepares the annual budget based on this expectation, which means that

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

general revenues will be used to cover the excess of expenses over revenues in these activities. Without the property tax revenues and unrestricted grants and contributions, the Council would be unable to provide services at current levels. Furthermore, the general nature of these revenues allows for management discretion as to how to use them to pay for the Council's current services, as well as reallocating them to meet changing demands.

An indication of how money is used efficiently or inefficiently can be gained by comparing the amount of administration costs from year-to-year, as well as calculating the percentage administration expenses bears in relation to total expenses. For this year, total administration expenses were \$471,414 or about 16% of total expenses whereas last year's administration expenses were \$446,812, or about 15% of total expenses. These percentages are within the range that management expected and are better than the average for a typical council on aging. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

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

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$4,089,691. The Council's total General Fund balance increased by \$102,258 during the current fiscal year, while the combined fund balances of the Special Revenue Funds had zero change for the year. The unassigned fund balance component of the General Fund was \$4,061,125 and is available for spending at management's discretion. The remainder of the General Fund balance is split between nonspendable (\$23,482), restricted (\$487) and assigned (\$4,597).

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Revenues

The combined fund revenues increased by \$242,763 this year versus last year, as shown in the table below.

	FY 2020	% of 2020 Total	FY 2019	% of 2019 Total	Increase / (Decrease)	
					Amount	Percent
Property Taxes	\$ 1,877,758	60.00%	\$ 1,895,843	65.67%	\$ (18,085)	-0.95%
Intergovernmental	1,012,084	32.34%	829,341	28.73%	182,743	22.03%
Public Support	127,723	4.08%	149,914	5.19%	(22,191)	-14.80%
Program Service Fees	714	0.02%	1,786	0.06%	(1,072)	-60.02%
Interest Income	26,561	0.85%	9,860	0.34%	16,701	169.38%
Miscellaneous	84,713	2.71%	46	0.00%	84,667	858.69%
Total Revenues	\$ 3,129,553	100.00%	\$ 2,886,790	100.00%	\$ 242,763	8.41%

Property tax revenue decreased by \$18,085 this year. The expectation is that the assessed value for the taxable property in the parish will increase each year and that was the case this year because the assessed value of taxable property increased by \$5,526,580. However, the increase was offset by a higher than usual write-off for what management believes will be uncollectible property taxes. This year \$59,331 of property taxes were written off as uncollectible whereas last year the amount was \$23,822.

Intergovernmental revenues increased by \$182,743 primarily due to an increase of \$57,607 in PCOA grant funds and \$69,416 in special grants for COVID-19 relief in the meal programs. In addition, the Council contracted with Terrebonne Parish COA to provide MIPPA services which generated \$17,775 in new revenues.

Public support decreased this year by \$22,191 because of a decrease in contributions from clients (\$31,402). However, this was offset by an increase in the general public donations (\$9,211). The Council has no control over this type of revenue because it is voluntarily given.

Program service fees decreased this year by \$1,072 due to a decrease in the volume of people receiving transportation services who were required to pay for this service.

Interest income increased this year by \$16,701 due to the Council receiving more interest from the increase in the interest rate paid on cash when the Council moved most of their savings to the LAMP account.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Miscellaneous income had a significant increase of \$84,667 due to the Council receiving two large dividends from LWCC (\$52,269 & 32,399).

Expenditures

Total expenditures increased by \$61,477 this year, as shown in the table below.

	% of 2020		% of 2019		Increase / (Decrease)	
	2020	Total	2019	Total	Amount	Percent
Personnel	\$ 1,471,149	48.60%	\$ 1,455,950	49.09%	\$ 15,199	1.04%
Fringe	386,569	12.77%	368,853	12.44%	17,716	4.80%
Travel	71,055	2.35%	77,631	2.62%	(6,576)	-8.47%
Operating Services	162,846	5.38%	160,385	5.41%	2,461	1.53%
Operating Supplies	97,776	3.23%	109,693	3.70%	(11,917)	-10.86%
Other Costs	61,127	2.02%	63,303	2.13%	(2,176)	-3.44%
Full Service	162,970	5.38%	194,811	6.57%	(31,841)	-16.34%
Meals	339,966	11.23%	329,151	11.10%	10,815	3.29%
Utility Assistance	4,078	0.13%	5,187	0.17%	(1,109)	-21.38%
Specific Assistance - Individuals	1,646	0.05%	1,365	0.05%	281	20.59%
Lawsuit & Claims Settlements	78,378	2.59%	17,611	0.59%	60,767	345.05%
Capital Outlay	129,094	4.26%	121,792	4.11%	7,302	6.00%
Intergovernmental	60,641	2.00%	60,086	2.03%	555	0.92%
	<u>\$ 3,027,295</u>	<u>100.00%</u>	<u>\$ 2,965,818</u>	<u>100.00%</u>	<u>\$ 61,477</u>	<u>2.07%</u>

This year's **personnel expenditures** increased by \$15,199 or about 1% and are well within management's expectations. For 2020 the Council reevaluated wage rates in comparison to similar jobs in surrounding areas and, in turn, chose to give increases out to most employees in order to keep competitive in the job market. In addition, for those employees who had been in their current position for at least one year and who also received a good review the Council gave them a merit raise. The Council typically employees about 92 people at any given time throughout the year.

The increase of \$17,716 in **fringe benefit expenditures** this year resulted primarily from a change in bookkeeping resulting in the worker's compensation dividends received from LWCC being presented as a revenue line item rather than as an offset to the worker's compensation insurance expenditures. Last year's LWCC dividend reported as an offset to worker's compensation insurance was \$18,720.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

This year's **travel expenditures** are \$6,576 less than last year's travel expenditures. This decrease is primarily related to decreases in demand for homemaker services.

Operating service expenditures experienced changes throughout all subcategories with a net increase of \$2,461. Some of the more notable increases are an overall increase in insurance premiums (\$2,643), an increase (\$4,288) in printing, an increase (\$2,212) in miscellaneous, an increase (\$1,641) in MVR and background checks, and an increase (\$7,981) in postage expenditures. These increases were offset by the following decreases: (1) \$3,341 in equipment maintenance, (2) \$5,564 in advertising, (3) \$4,883 in legal fees, and (4) \$3,853 in licenses and fees.

Operating supplies expenditures decreased \$11,917 this year primarily due to decreases in operating supplies (\$6,661) and auto supplies (\$12,878). However, these increases were offset by an increase in office supplies (\$7,622).

Other costs decreased \$2,176 this year primarily due to the Spring Fling being canceled due to COVID-19. Last year the Spring Fling cost \$4,487.

Full service expenditures decreased this year by \$31,841 primarily because the Council decreased in-home respite services (\$34,709), wellness services (\$2,367), and medic alert services (\$1,739). These decreases were offset by an increase to personal care services (\$3,511) and \$3,751 paid to Terrebonne Parish COA for meal delivery to an elderly citizen that was closer to Terrebonne's delivery routes.

Meal expenditures decreased by \$15,502 this year related to the decrease in congregate meals served. The number of home-delivered meals provided this year was 92,811 whereas it was 88,417 last year. The number of congregate meals served this year was 18,294 versus 24,840 last year.

Utility assistance expenditures decreased by \$1,109 this year primarily because the Council did not give away any fans this year. This type of expenditure increases or decreases based on the demand for this service each year.

Specific assistance to individuals increased \$281 this year simply because demand for this service increased when compared to last year.

Lawsuit and claims settlements increased \$60,767 this year because the nature and extent of the damages involving the accident claims made against the Council required more money to settle

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

them. This year the Council paid \$46,071 in legal fees including the plaintiff's claim to finally settle an ongoing lawsuit, whereas it did not have a transaction of this magnitude last year. The Council has a \$75,000 deductible on its vehicle liability insurance so management expects that the Council will have to pay settlements out-of-pocket from time-to-time.

Capital outlay expenditures increased \$7,303 this year when compared to last year which is not a significant amount for this expenditure category. The Council purchased two new vehicles in both years, however, this year the Council also purchased a copy machine for \$4,745.

Intergovernmental expenditures increased \$555 this year. The Council's management has no control over this expenditure, which represents the Council's pro-rata share of the costs of retirement plans of other governmental entities. As the amount of property tax revenue increases so does this intergovernmental expenditure.

AN ANALYSIS OF THE GENERAL FUND BUDGET

The budget was amended once during the year. The primary reasons for amending the budget were to prevent compliance violations under the Council's grants from GOEA and to consider the effects of unexpected increases and decreases in revenues, expenditures, and transfers.

The budgetary comparison schedule for the General Fund is on page 64. When you review this schedule, you will note that the original budget anticipated an excess of expenditures and other uses over revenues and other sources of \$344,447, whereas the final, amended budget reported the expectation of an operating surplus of \$41,561. However, when the budgeted operating surplus is compared to the actual results for the year, the excess of revenues and other sources over expenditures and other uses was \$102,258, which produced an overall net favorable variance of \$60,697. The primary reasons for this favorable operating variance are as follows:

- Dividends received from LWCC (worker's compensation) were \$84,668 more than expected.
- Transfers out to other programs and funds were \$19,754 less than anticipated as a result of several areas of expenditures being less than expected.

The remaining favorable and unfavorable variances within the General Fund are well within the expectations of management and require no further explanation.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The noteworthy changes between the original budget and the amended budget are as follows:

- The amount of PCOA grant money the Council received from GOEA increased by \$57,607.
- The amount budgeted for lawsuits and claims settlements was reevaluated at the time the budget amendment was being prepared and, based on current information, the need for funds in this area was much less than originally anticipated. As a result, management decreased the expected costs for this line item by \$72,681.
- Transfers out were decreased by \$176,898 to consider the spending trends that had occurred in the various special revenue funds as of the date of the amendment plus what management estimated might occur for the remainder of the year. COVID-19 had an impact that caused the Council to decrease multiple services that were paid from the various special revenue funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Council's investments in capital assets for its governmental activities as of the end of this year and last year are illustrated in the following table.

Capital Assets, Net of Depreciation

	<u>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Vehicles	\$ 292,356	\$ 304,186	\$ (11,830)
Furniture and equipment	5,531	2,382	3,149
	<u>\$ 297,887</u>	<u>\$ 306,568</u>	<u>\$ (8,681)</u>

This year the Council purchased two (2) new transportation vehicles. At year-end, the Council owned twenty vehicles, eleven of which are fully depreciated. For FY 2021 the Council anticipates acquiring two transportation vehicles and one meal delivery vehicle. The transportation vehicles are expected to cost about \$55,000 each. The transportation vehicles are expected to cost about \$55,000 each but the Council will only have to pay for a portion (12.7%) of each vehicle. The balance of the cost will be paid by the federal and state governments. The nutrition van is expected to cost about \$32,000, which the Council expects to pay the entire amount using general funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Debt Administration

The Council has no long-term debt. Management does not like to incur debt as a matter of good financial stewardship.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives the large majority of its annual funding from federal and state agencies and from a local property tax. This source of income for the Council has been rather steady over the years for the Council. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council and appropriations made by the state and federal governments, therefore, revenues could vary from year-to-year. Presently, there have been no significant adverse changes to the funding levels or terms of the Council's primary grants and contracts for next year.

Management has initially budgeted \$3,218,010 in revenues and \$3,370,521 in expenditures for the Council's programs in FY 2021 producing an excess of expenditures over revenues of \$152,511. However, the Council has a sufficient unassigned fund balance that allows it to budget this deficit. There are no plans to add or terminate any programs in FY 2021. In addition, there are no plans to amend the original FY 2021 budget based on current events and known future events. However, circumstances may change as the year progresses, which may necessitate a budget amendment. Management monitors the Council's budgeted revenues and expenditures each month and will amend the budget if necessary. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for next year.

COVID-19 (Coronavirus) has affected the Council most notably in the congregate service areas. Due to the pandemic, the Council has not been able to have any of its normal congregate services (i.e. C1 meals and other activities held at the senior centers), which resulted in a large shift of expenses from the C1 meals program to the C2 meals program. This is expected to continue well into FY21 and will have a significant impact on the number of units served in comparison to past years. Management is unable to assess the quantitative and qualitative impacts that the virus will have on the Council's future operations. However, the Council's management has adapted daily operations to meet the needs of the Parish's elderly population within the current governmental guidelines.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact:

Charlene R. Rodriguez, Executive Director

P. O. Box 500

Raceland, LA 70394

985-532-0459 or lafcoadirector@viscom.net

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Exhibit A

**Statement of Net Position
Lafourche Council on Aging, Inc.
Mathews, Louisiana
June 30 , 2020**

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 4,077,807
Receivables:	
Lafourche Parish Sheriff - property taxes	18,757
GOEA - MIPPA contract	600
Terrebonne COA - MIPPA contract	17,775
Prepaid expenses	15,937
Total current assets	4,130,876
Workman's compensation insurance security deposit	7,520
Storage unit deposit	25
Capital assets, net of accumulated depreciation	297,887
Total Assets	4,436,308
 <u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	47,851
Payroll withholdings	879
Compensated absences	46,558
Total current liabilities	95,288
 <u>NET POSITION</u>	
Net investment in capital assets	297,887
Restricted for utility assistance	487
Unrestricted	4,042,646
Total Net Position	\$ 4,341,020

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

Statement of Activities

Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net Revenue (Expense) and Increase (Decrease) in Net Position
				Operating Grants and Contributions	Capital Grants and Contributions	
						Total Governmental Activities
Governmental Activities						
Health, Welfare & Social Services:						
Supportive Services:						
Transportation	\$ 792,766	\$ 151,810	\$ 714	\$ 91,108	\$ 109,369	\$ (743,385)
Homemaker	507,850	122,486	0	55,989	0	(574,347)
Legal Assistance	5,040	0	0	5,040	0	0
Information and Assistance	78,298	7,774	0	2,362	0	(83,710)
Material Aid	5,844	1,410	0	428	0	(6,826)
Medical Alert	9,921	0	0	727	0	(9,194)
Outreach	2,249	542	0	165	0	(2,626)
Utility Assistance	10,484	1,430	0	2,603	0	(9,311)
Personal Care	69,666	0	0	5,107	0	(64,559)
Nutrition Services:						
Congregate Meals	231,644	41,622	0	182,141	0	(91,125)
Home Delivered Meals	663,784	88,647	0	312,984	0	(439,447)
Family Caregiver Support	68,337	198	0	50,194	0	(18,341)
Disease Prevention and Health Promotion	5,527	0	0	6,980	0	1,453
Senior Citizens Center Operations	29,273	7,070	0	36,090	0	(253)
Other Services and Activities	36,974	706	0	48,770	0	11,090
Administration	471,414	(423,694)	0	47,720	0	0
Total governmental activities	\$ 2,989,071	\$ 0	\$ 714	\$ 848,408	\$ 109,369	\$ (2,030,580)
General Revenues:						
Property taxes, net of \$60,641 withheld by the Sheriff for pensions					1,817,117	
Grants and contributions not restricted to specific programs					266,743	
Interest Income					26,561	
Total general revenues						2,110,421
Increase (Decrease) in net position						79,841
Net position - beginning of the year						4,261,179
Net position - end of the year						<u>\$ 4,341,020</u>

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

FUND FINANCIAL STATEMENTS

Fund Balance Sheet
Governmental Funds

Lafourche Council on Aging, Inc.
Mathews, Louisiana
June 30, 2020

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash	\$ 4,030,166	\$ 11,865	\$ 272	\$ 32,866	\$ 2,638	\$ 4,077,807
Receivables:						
Lafourche Parish Sheriff - property taxes	18,757	0	0	0	0	18,757
GOEA - MIPPA contract	600	0	0	0	0	600
Terrebonne COA - MIPPA contract	17,775	0	0	0	0	17,775
Prepaid expenditures	15,937	0	0	0	0	15,937
Workman's compensation insurance security deposit	7,520	0	0	0	0	7,520
Storage unit deposit	25	0	0	0	0	25
Total Assets	\$ 4,090,780	\$ 11,865	\$ 272	\$ 32,866	\$ 2,638	\$ 4,138,421
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable, including credit cards	210	11,865	272	32,866	2,638	47,851
Payroll withholdings	879	0	0	0	0	879
Total Liabilities	1,089	11,865	272	32,866	2,638	48,730
Fund Balances						
Nonspendable	23,482	0	0	0	0	23,482
Restricted for Utility Assistance	487	0	0	0	0	487
Assigned for Utility Assistance	4,597	0	0	0	0	4,597
Unassigned	4,061,125	0	0	0	0	4,061,125
Total Fund Balances	4,089,691	0	0	0	0	4,089,691
Total Liabilities and Fund Balances	\$ 4,090,780	\$ 11,865	\$ 272	\$ 32,866	\$ 2,638	

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

- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds (46,558)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds 297,887

Net Position of Governmental Activities

\$ 4,341,020

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

**Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds**

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
<u>REVENUES</u>						
Intergovernmental	\$ 316,413	\$ 136,766	\$ 161,545	\$ 242,964	\$ 154,396	\$ 1,012,084
Property Taxes	1,877,758	0	0	0	0	1,877,758
Public Support (Restricted)	2,168	24,595	20,596	70,020	75	117,454
Public Support (Unrestricted)	10,269	0	0	0	0	10,269
Program Service Fees	0	714	0	0	0	714
Interest Income	26,561	0	0	0	0	26,561
LWCC Dividends	84,668	0	0	0	0	84,668
Miscellaneous	45	0	0	0	0	45
Total revenues	<u>2,317,882</u>	<u>162,075</u>	<u>182,141</u>	<u>312,984</u>	<u>154,471</u>	<u>3,129,553</u>
<u>EXPENDITURES</u>						
Health, Welfare, & Social Services:						
Current:						
Personnel	44,784	948,614	155,956	294,288	27,507	1,471,149
Fringe	12,293	279,992	28,505	61,825	3,954	386,569
Travel	50	24,384	543	45,968	110	71,055
Operating Services	18,478	97,877	16,492	25,618	4,381	162,846
Operating Supplies	1,687	73,679	5,611	16,293	506	97,776
Other Costs	6,915	32,596	5,359	15,612	645	61,127
Full Service	0	86,177	0	3,751	73,042	162,970
Meals	0	0	58,131	281,835	0	339,966
Utility Assistance	4,078	0	0	0	0	4,078
Specific Assistance to Individuals	1,646	0	0	0	0	1,646
Lawsuit and Claims Settlements	78,378	0	0	0	0	78,378
Capital Outlay	129,094	0	0	0	0	129,094
Intergovernmental	60,641	0	0	0	0	60,641
Total expenditures	<u>358,044</u>	<u>1,543,319</u>	<u>270,597</u>	<u>745,190</u>	<u>110,145</u>	<u>3,027,295</u>
Excess of revenues over (under) expenditures	<u>1,959,838</u>	<u>(1,381,244)</u>	<u>(88,456)</u>	<u>(432,206)</u>	<u>44,326</u>	<u>102,258</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	0	1,381,244	88,456	432,206	19,860	1,921,766
Operating transfers out	(1,857,580)	0	0	0	(64,186)	(1,921,766)
Total other financing sources (uses)	<u>(1,857,580)</u>	<u>1,381,244</u>	<u>88,456</u>	<u>432,206</u>	<u>(44,326)</u>	<u>0</u>
Net increase (decrease) in fund balances	<u>102,258</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>102,258</u>
<u>FUND BALANCE (DEFICIT)</u>						
Beginning of year	3,987,433	0	0	0	0	3,987,433
End of year	<u>\$ 4,089,691</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,089,691</u>

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

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

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 102,258
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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 reconciling amount is the amount by which depreciation (\$137,775) exceeds capital outlay (\$129,094) in the current period.

(8,681)

Governmental funds do not report unpaid accumulated leave. However, the liability for unpaid accumulated leave is shown in the Statement of Net Position and the increase in the liability for the fiscal year has increased expenses in the Statement of Activities. The (increase) decrease in the liability is a reconciling amount.

(13,736)

Increase (Decrease) of Net Position of Governmental Activities	\$ 79,841
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\$ 79,841

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

NOTES TO THE FINANCIAL STATEMENTS

Lafourche Council on Aging, Inc.
Mathews, Louisiana
June 30, 2020

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

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

a. Purpose of the Council on Aging:

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

The primary services provided by the Council to the elderly residents of Lafourche Parish include transportation, homemakers, legal assistance, information and assistance, material aid, medical alert, outreach, utility assistance, personal care, congregate and

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

home-delivered meals, family caregiver support, and disease prevention and health promotion.

b. Reporting Entity:

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

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

The Lafourche Council on Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the governor of the State of Louisiana on November 7, 1973 and subsequently incorporated on June 14, 1974, under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 15 voluntary members who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. Any board member who has served two consecutive terms is ineligible to serve on the board of directors for one year. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of Lafourche Parish. Nominations to fill expiring terms of board members are made a few weeks before the Council's annual meeting in April by the Council's Development Committee. Additional nominations may also come from the general public. The members of the Council elect board members at the annual board meeting in April. Any adult citizen of Lafourche Parish may register to be a member of the Council. Membership fees are not charged.

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

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

c. Basis of Presentation of the Basic Financial Statements:

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

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

Government-Wide Financial Statements:

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

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

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts as follows: (1) invested in capital assets, net of related debt, (2) restricted net position, (3) and unrestricted net position.

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

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs in accordance with 2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (aka the "Supercircular"). The Statement of Activities shows this allocation in a separate column labeled indirect expenses. GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

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

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

separately reported below general revenues.

Fund Financial Statements:

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

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

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the General Fund, which is the primary operating fund of the Council, or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, management did not choose to include any nonmajor fund as a major fund. The nonmajor funds are summarized by fund type into a single column in the fund financial statements.

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

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

them. They are as follows: nonspendable, restricted, committed, assigned and unassigned.

The following discussion is a description of the governmental funds of the Council.

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

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Property tax revenues represent the largest component of the Council's local funding. Expenditures that are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Because of their unrestricted nature, local program funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

PCOA Funding

Parish Council on Aging (PCOA) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these funds at its discretion in any program provided the program is benefitting people who are at least 60 years old. This year, the Council received this grant money into its General Fund and management transferred all \$100,000 of the PCOA funds to the Title III B Fund to subsidize that fund's program expenditures.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

Unmet Needs Program

The Council provides financial assistance to persons who are at least 60 years old that are facing a serious financial or health emergency. The person must be a resident of Lafourche Parish and can receive financial assistance of up to \$200 per year. The money can be used to pay for rent, a doctor bill, or to make minor home repairs. However, in most cases, the Council buys supplies such as adult diapers, diabetic shakes and food bars, and protein drinks that will be given to the needy person. During this year, the Council expended \$1,646 in direct costs to help 10 different people.

Area Agency Administration (AAA) Funding

Each fiscal year GOEA provides the Council with funds to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$47,720 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

Supplemental Senior Center Funding

The Louisiana Legislature appropriated money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. This year, the Council received \$10,599 of supplemental senior center funding from GOEA. Management can use its discretion as to how to spend this money, as long as the program benefits anyone at least 60 years old. This year management received this money into the Council's General Fund and then transferred it out to the Title III C-1 Fund to subsidize the operating costs of that fund's program services.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The Council has a MIPPA program that provides educational and enrollment assistance to Medicare eligible people in the community. During the year, the Council hosted 25 outreach/public education & enrollment assistance events and provided 11 units of LIS or MSP enrollment assistance, 9 units of LIS or MSP follow-up, 698 units of Medicare Part D Counseling, and 575 units of Medicare Part D enrollment. For performing these services, the Council was paid \$30,950 by GOEA.

The Council also provides MIPPA services which benefit residents of Terrebonne Parish. The Terrebonne Parish COA (TPC) reports these units to GOEA and then the TPC reimburses Lafourche COA for providing them. During the year, the Lafourche COA provided 306 units of Medicare Part D Counseling and 275 units of Medicare Part D enrollment. As a result, the TPC reimbursed Lafourche COA \$17,775.

FTA Funding for Vehicle & Computer Acquisition

The Council acquires vehicles purchased in part with federal funds under the Federal Transit Administration's (FTA) elderly and disabled persons transportation capital assistance program. The Louisiana Department of Transportation and Development (DOTD) coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. This year, the Council acquired two (2) new vans to be used for the transportation program using \$109,369 of FTA grant funds.

Utility Assistance Program

The Council provides limited financial assistance to needy people in Lafourche Parish to help them pay past due utility bills. The revenues received for this program usually come from SLECA (\$168) and the City of Thibodaux (\$2,000).

In addition, the Council *assigned* some of its General Fund money in prior years to buy fans for the elderly and provide financial assistance to the elderly who needed help in paying their utility bills. At year-end \$4,597 of assigned funds remained unspent and will be carried over into the next fiscal year.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

The maximum amount of assistance the Council usually provides in any one year to a person is \$200.

During the year, the Council assisted 29 different families with paying their utility bills. The Council also distributed 15 heaters and no fans to elderly people in Lafourche Parish this year. Furthermore, the Council takes the applications for the *Power to Care* program and then refers the application to the Salvation Army who will then decide which people to give financial aid to as part of that utility program.

Other Services and Activities

The Council provides a variety of other services and activities that include:

- Assisting people at least 60 years old in applying for Social Security Disability;
- A health fair; and
- A *Spring Fling* (cancelled this year due to COVID-19).

Other Services and Activities are included as part of *Other Costs* within the General Fund on the Statement of Revenues, Expenditures, and Changes in Fund Balances. However, on the government-wide Statement of Activities they have been combined and reported as a separate line item.

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

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

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

Major Governmental Funds:

Title III B Fund

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

<u>Type of Service Provided</u>	<u>Units</u>
Homemaker	22,651.50
Information and Assistance	1,376
Legal Assistance	77.50
Material Aid	6,249
Medical Alert	313
Outreach	170
Transportation	16,352
Utility Assistance	49
Personal Care	3,404

The main sources of revenue that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers* (\$136,766).
- Restricted, voluntary public support (\$24,595) from persons who actually received homemaker, personal care and transportation services.

Title III C-1 Fund

The Title III C-1 Fund accounts for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout Lafourche Parish. The Council maintains meal sites in Thibodaux, Raceland, Lockport, Larose, Ward 6, and Golden Meadow. During the year, the Council reported to GOEA that it provided 18,294 meals and 18 units of nutrition education to eligible participants.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

The main sources of revenue received this year that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* (\$119,904). In addition, the Council received a FFCRA grant from GOEA in the amount of \$23,139 to offset the increased cost of meals related to COVID-19.
- Restricted, voluntary public support (\$20,596) from those persons who received congregate meals services.
- *Nutrition Services Incentive Program (NSIP)* funds (\$18,502) provided through GOEA to supplement the congregate meals program. Any food that is purchased for use in this nutrition program using NSIP funds must be of United States origin or be commodities from the United States Department of Agriculture.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year the Council reported to GOEA that it provided 92,811 home-delivered meals to eligible participants. The main sources of revenue received this year that form the basis of this fund are as follows:

- A grant from GOEA for *Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services* (\$131,091). In addition, the Council received a FFCRA grant from GOEA in the amount of \$46,277 to offset the increased cost of meals related to COVID-19.
- Restricted, voluntary public support (\$70,020) from those persons who received the home-delivered meals.
- *Nutrition Services Incentive Program (NSIP)* grant funds (\$65,596) provided through GOEA to supplement the home-delivered meals program. Any food that is purchased for use in this nutrition program using NSIP funds must be of United States origin or be commodities from the United States Department of Agriculture.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

Nonmajor Governmental Funds:

Senior Center Fund

The Senior Center Fund accounts for the administration of Senior Center program funds (\$97,297) appropriated by the Louisiana Legislature to GOEA, which in turn *passes through* the funds to the Council. The purpose of this program is to provide community service centers where elderly people can receive congregate related social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. Senior centers are located in Cut Off, Ward 6, and Bayou Blue. Senior Center grant funds not consumed within this program are free to be transferred to another program that benefits the elderly. For this year, the Council did not consume \$61,207 of its grant funds and management transferred them to the Title III C-1 (\$39,203) & Title III C-2 Funds (\$22,004).

Title III D Fund

The Title III D Fund accounts for funds used for wellness, which includes disease prevention and health promotion activities. During the year, the Council reported to GOEA that it provided 584 units of wellness services to eligible participants. The source of the revenue forming the basis for this fund is a grant (\$6,980) the Council received from GOEA for *Title III, Part D_ Disease Prevention and Health Promotion Services*.

Title III E Fund

The Title III E Fund is used to account for funds relating to the National Family Caregiver Support program, which is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to GOEA that it provided 70 units of information and assistance, 3,201.50 units of in-home respite, 316 units of material aid, and 160 units of personal care services to eligible participants. The source of the revenue forming the basis for this fund is a grant (\$50,119) the Council received from GOEA for the *Title III, Part E _ National Family Caregivers Support Program*.

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

d. Measurement Focus and Basis of Accounting

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

• **Government-Wide Financial Statements – Accrual Basis**

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

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

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. *Measurable* means the amount of the transaction can be determined and *available* means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be *available* if they are collected within sixty days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due; and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost not recognized in the governmental funds.

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

e. Interfund Activity

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

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

f. Cash

Cash includes currency on hand and demand deposits with banks or other financial institutions. Cash is reported at its carrying value, which approximates its fair value. For the purposes of the Statement of Net Position, restricted cash is an amount received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line item Cash on the Statement of Net Position is comprised of restricted cash of \$487 and unrestricted cash of \$4,077,320. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Receivables

The financial statements contain an allowance for uncollectible property tax because management estimates that all of the tax owed the Council will not be collected. This year's allowance amount has already been applied to reduce the property tax receivable amount presented on the Statement of Net Position (Exhibit A) and the Balance Sheet (Exhibit C).

Management estimates that other receivables presented will be collected in full. However, if management becomes aware of information that would change its assessment about the collectability of these other receivables, management would write off the receivables as bad debts at that time.

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

h. Prepaid Expenses & Expenditures

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

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

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements.

i. Capital Assets

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

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide Statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

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

Equipment - other than computers	10 years
Vehicles	5 years
Computer equipment	5 years

Fund Financial Statements

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

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

j. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements. The Council did not have any non-current liabilities at year-end.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

k. Unpaid Compensated Absences

The Council's policies for vacation leave permit full-time employees to accumulate unused vacation leave after three years of employment. Accordingly, a liability for the unpaid leave has been recorded in the government-wide statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to accruing (earning) and using vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the Statement of Net Position. Any amounts that might be long-term would be immaterial.

The amount accrued as the compensated absence liability was determined using the number of vested hours for each employee multiplied by the employee's wage rate in effect at the end of the year. An amount is added to this total for Social Security and Medicare taxes.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result, no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the government-wide financial statements relative to sick leave.

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

l. Advances from Funding Agencies

The Council reports advances from funding agencies on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to a funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. At year-end, the Council did not have any advances from GOEA or any other funding agency.

m. Deferred Revenues Other Than Property Taxes

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenues at year-end.

n. Deferred Property Tax Revenue

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

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

o. Deferred Outflows and Inflows of Resources

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

p. Net Position in the Government-Wide Financial Statements

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

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

- *Net investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent proceeds. At year-end, the Council did not have any borrowings that were related to capital assets.
- *Restricted net position* – This component reports the amount of net position with externally imposed constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* – This component is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

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

q. Fund Equity - Fund Financial Statements

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

- *Nonspendable*: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures and deposits as being nonspendable because these items are not expected to be converted to cash.
- *Restricted*: This classification includes amounts for which constraints have been placed on the use of resources and are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- *Committed*: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- *Assigned*: This classification includes spendable amounts that are reported in governmental funds *other than the General Fund* that are neither restricted nor committed and amounts in the General Fund that are intended to be

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

used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management assigned some funds to the utility assistance program. \$4,597 of assigned funds remained unspent as of year-end.

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

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

r. Management's Use of Estimates

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

s. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct costs of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula based primarily on the relationship the direct cost a program bears to the direct

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant or contract restrictions. In addition, if the program's activities are immaterial, management may not elect to allocate any indirect costs to the program.

t. Elimination and Reclassifications

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

u. Special Items

Special items are significant transactions or events that are either unusual in nature or infrequent in occurrence and that are within the control of the Council's management. Within in the control of management does not necessarily mean that management did control the transaction. It simply means that management could control it. Special items have been reported separately in both the government-wide statement of activities and the governmental fund statements of revenues, expenditures, and changes in fund balances. The Council did not have any special items this year

Note 2 - Revenue Recognition

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

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

Note 3 - Revenue Recognition-Property Tax

During fiscal year 2009, the Council began receiving funds from a property tax that was adopted by the voters of Lafourche Parish on July 19, 2008 to specifically provide money to finance the Council's operations. The Lafourche Parish Assessor began assessing this property tax in 2008 and it continued to do so through 2017 (ten years). On December 10, 2016 the voters of Lafourche Parish renewed this tax for another ten years (through 2027). The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January is used as the date to value the property subject to tax and make the annual assessment.

The gross assessed value as of January 1, 2019, of the certified roll was \$1,143,571,750. After applying homestead exemptions of \$176,382,721 the net assessed value upon which the Council's property tax was computed was \$967,189,029. These assessed values have been computed after property tax abatements. Tax abatements are widely used by state and local governments to primarily encourage economic development. For financial reporting purposes, a tax abatement occurs when there is an agreement between a government and an individual or entity in which the government agrees to forgo tax revenues and the individual or entity promises to subsequently take a specific action that will contribute to economic development or benefits the government or its citizens. This year the Lafourche Parish Government (LPG) entered into various property tax abatements which resulted in the Council receiving \$111,495 less in property tax revenues than if the abatements did not exist.

Two mills are the maximum amount the Council may legally elect to assess property owners each year and the Council's board of directors elected to have the Parish assess the full 2.00 mills for tax year 2019. Accordingly, management initially estimated the gross amount of property tax payable to the Council for this fiscal year to be \$1,934,378. However, this amount was later adjusted by the Lafourche Parish Sheriff to account for supplements, reductions, and adjudicated/exempt taxes to \$1,930,382. In addition to these adjustments, the Council's management has estimated the uncollectible tax amount to be \$59,311. Current year collections of prior year property taxes were \$6,687. As a result, the adjusted total property tax revenue recognized this year is \$1,877,758.

Property taxes are levied in November and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The Lafourche Parish Sheriff acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the

Exhibit F - Continued

taxes due as possible. The tax sale date for Lafourche Parish for the 2019 tax assessment was August 26, 2020, and the tax liens were recorded shortly thereafter.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed (November of each year). As the Sheriff collects the taxes, he forwards them to the Council on Aging where they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also accrues as current year revenues any property taxes the Sheriff collects by August 31 (within 60 days of year-end) because it considers those amounts to be measurable and available. The Council did not present any amounts this year as deferred property tax revenue because management estimates an immaterial amount of property taxes will be collected after August 31, 2020 for the 2019 property tax assessment.

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

Property tax revenues of \$1,877,758 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$60,641 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of retirement plan contributions for other government agencies. Instead, the \$60,641 has been presented as an intergovernmental expenditure on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$1,877,758 were reduced by the \$60,641 of on-behalf payments to present a net amount of \$1,817,117 for general revenues. Also see Note 20 to these financial statements.

Note 4 - Cash and Investments

The Council maintains a consolidated bank account at JPMorgan Chase Bank to deposit the money it collects and to pay bills other than payroll. The consolidated bank account is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows

Exhibit F - Continued

those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains another demand deposit account at this bank for making payroll disbursements. This account is maintained on an imprest basis. A third bank account, which is a savings account, was established by management to obtain interest on idle funds, maintain liquidity, and reduce credit risks.

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. Accordingly, the Council's management obtains collateralization for deposits at financial institutions that exceed FDIC insurance.

At June 30, the carrying value of the Council's cash held at JPMorgan Chase Bank was \$2,056,568, whereas the corresponding bank balance was \$2,123,764. The difference was principally due to outstanding checks and deposits that had not cleared the bank by June 30. The current FDIC coverage is \$250,000 for demand deposits and another \$250,000 for interest-bearing deposits per bank, therefore, \$1,848,680 of the Council's bank balances were uninsured at year-end. State law and the Council's policy requires uninsured bank balances to be adequately secured by pledged securities at all times. The bank had pledged securities that had a market value at \$2,352,253 at June 30th. Accordingly, all of the bank balances at year-end were either insured or adequately collateralized. The pledged securities are being held in a collateral account in the name of the Council at the Federal Reserve Bank of New York.

During the year, the Council might accumulate cash in excess of its immediate needs. To maximize its interest income, the Council's management will invest the excess cash. The Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds. Accordingly, at year-end, the Council's management has invested \$2,021,239 in the Louisiana Asset Management Pool (LAMP) which complies with state law and the Council's investment policy.

LAMP is an external investment pool established as a cooperative endeavor to enable public entities in the State of Louisiana an opportunity to combine their funds for investment. LAMP is administered by LAMP, Inc., a non-profit corporation organized under Louisiana law. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe

Exhibit F - Continued

environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33:2955.

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

LAMP is a 2a7-like investment pool. The following facts are relevant for 2a7 like investment pools:

- Credit risk: LAMP is rated AAAM by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days. The WAM (to reset) for LAMP's total investments is 47 days and the WAM (to final) is 100 days as of June 30, 2020.
- Foreign currency risk: Not applicable to 2a7-like pools.

Exhibit F - Continued

Note 5 - Prepaid Expenditures & Expenses

At year-end, prepaid expenditures in the fund Balance Sheet and prepaid expenses in the government-wide Statement of Net Position consisted of the following:

Nonowners insurance premiums	\$	3,481
Auto insurance premiums		12,456
Total prepaid expenditures & expenses	\$	15,937

Note 6 - Changes in Capital Assets

A summary of changes in capital assets and related accumulated depreciation are as follows:

Capital Assets Being Depreciated	Balance June 30, 2019	Additions	Decreases	Balance June 30, 2020
Vehicles	\$ 832,815	\$ 124,349	\$ (107,465)	\$ 849,699
Furniture and Equipment	37,782	4,745	0	42,527
Total Capital Assets	870,597	129,094	(107,465)	892,226
Less Accumulated Depreciation:				
Vehicles	528,629	136,179	(107,465)	557,343
Furniture and Equipment	35,400	1,596	0	36,996
Total Accumulated Depreciation	564,029	137,775	(107,465)	594,339
Capital Assets Net of Depreciation	\$ 306,568	\$ (8,681)	\$ 0	\$ 297,887

None of the above amounts includes any donated asset.

The Council's management has reviewed the capital assets and does not believe any of them are impaired or totally inoperable as of year-end.

Exhibit F - Continued

Depreciation was charged to governmental activities as follows:

Administration	\$	1,433
Supportive Services:		
Transportation of the elderly		131,096
Nutrition Services:		
Congregate Meals		1,179
Home-delivered Meals		4,067
Total depreciation expense for governmental activities		\$ 137,775

The \$1,433 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$136,342) are charged as direct expenses to their related functions on the Statement of Activities.

Note 7 - Changes in Compensated Absences

For purposes of the Statement of Net Position, the Council has presented all of its accumulated unpaid vacation leave as a current liability. This is because vested amounts will likely be used before the end of the next fiscal year. In contrast, no liability for compensated absences has been presented in the Balance Sheet of the fund financial statements because such leave does not become a liability until the employee has made a request to use it or terminates employment with the Council. The following is a schedule of changes that occurred in the Council's compensated absences account during the fiscal year.

Balance at July 1, 2019	\$	32,822
Net increase (decrease) in accrued compensated absences		13,736
Balance at June 30, 2020		\$ 46,558

Note 8 - Fund Balances - Fund Financial Statements

At year-end, the General Fund includes a restricted fund balance for utility assistance (\$487), an assigned fund balance (\$4,597) for utility assistance, and \$23,482 of nonspendable fund

Exhibit F - Continued

balance, which consists of \$15,937 of prepaid expenditures and \$7,545 of security deposits.

None of the special revenue funds had any fund balance at June 30, 2020. Typically, these fund balances are cleared at year-end to comply with the terms of the grants that provide money to these funds.

Note 9 - In-Kind Contributions

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

The Council received various in-kind contributions during the year as follows:

- The Lafourche Parish Government (LPG) provides the Council's main office facility and certain building supplies at no charge.
- Various people have volunteered their time to work in the senior centers and serve congregate meals.

The LPG has provided the Council information as to the fair value of the facility rental and the building supplies. The volunteer services were valued by recording the number of hours the volunteers worked and multiplying the hours by minimum wage.

A summary of the in-kind contributions and their estimated values is as follows:

Facility rental	\$ 42,000
Building supplies	2,400
Volunteer workers	<u>19,821</u>
	<u>\$ 64,221</u>

If these in-kind contributions had been recorded in the Statement of Activities their expense allocation would have been as follows:

Exhibit F - Continued

Administration	\$ 44,400
Nutrition Services - congregate meals	4,770
Title III B Supportive Services	1,655
Senior Citizens Center Operations	<u>13,397</u>
	<u>\$ 64,222</u>

Note 10 -Board of Directors' Compensation

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

Note 11 -Income Tax Status

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

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

Note 12 -Judgments, Claims, and Similar Contingencies

The Council employees have been involved in multiple vehicle accidents over the past few years. Most of the accidents have been settled but one is still unsettled. The Council paid \$78,378 to settle claims and pay for damages and legal fees in FY 2020. Management does not know how much in damages the Council will be required to pay to settle the outstanding lawsuits and claims. However, management estimates the total potential liability to the Council to settle these claims will not have any material adverse impact upon the Council's financial statements. No amounts have been accrued as of June 30, 2020 as an estimate for the contingent liabilities. The amount of each claim is within the deductible amount of the Council's insurance policy therefore the Council would have to pay the claims directly out of its General Fund to settle them. Furthermore, management believes that any unexpected lawsuits or unknown claims that might be filed against the Council would be adequately

Exhibit F - Continued

covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 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 or any of its subcontractors 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 not any significant contingent liabilities relating to the Council's noncompliance 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.

Note 14 -Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions by employees; job related illnesses or injuries to employees; officer and directors' liability; business interruption; and natural disasters. To primarily cover or reduce the risk of loss that might arise should one of these incidents occur, the Council has purchased commercial insurance with varying deductible amounts as follows:

<u>Type of Coverage</u>	<u>Deductible per Incident</u>
Auto Collision and comprehensive	\$1,000
Business personal property	\$1,000, +5% wind/hail deductible
Electronic equipment	\$1,000, +5% wind/hail deductible
General liability	\$2,500
Director's and officer's liability	\$5,000
Employment practices	\$5,000

The Council also carries workman's compensation insurance and employee health and accident insurance for which it has no deductibles.

Exhibit F - Continued

Although the Lafourche Council on Aging (Council) has purchased insurance coverage to reduce its risk of loss for the aforementioned types of casualties, the Council has elected to allow the Lafourche Parish Government (LPG) to provide vehicle liability coverage for the Council's vehicles in an effort to minimize expenditures relating to this type of coverage. The LPG has a self-insured risk retention program, which means that the LPG and the Council are exposed for the first \$75,000 of damages per incident that might arise should the Council be held liable in a vehicle accident. The Council is not required to pay the LPG any premiums to participate in its risk retention program. Also, the LPG and the Council have not assigned any funds to cover damages under \$75,000 per incident. Instead, the Council's management will pay for any damages or claims using General Fund money as they arise. Accordingly, the Council could be exposed to significant losses should multiple accidents happen within the \$75,000 deductible amount.

In the fund financial statements, the COA reports all of its risk management activities, including the cost of legal representation, claim settlements, and judgments, in the General Fund. In the government-wide financial statements similar expenses will be allocated directly to the function that gave rise to the expense in the Statement of Activities. Claims expenditures, expenses, and liabilities are reported when it is probable that a material loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. In addition, no year-end accrual has been made for any other known claim losses that relate to this year but will be settled in a future year because management considers the potential settlement amounts to be immaterial, individually and in the aggregate, to the financial statements. See Note 12 for additional details. Furthermore, management has not made any estimates or accruals for claim losses that might arise in future years during the normal course of business.

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

There have been no significant reductions in insurance coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage, or that caused the COA to have to pay any significant amounts as a result of participating with the LPG in its self-insurance program.

Note 15 - Operating Lease Agreements

On May 28, 2015, the Council entered into a copy machine lease. This lease is for 60 months at a monthly rate of \$415. Then on June 3, 2016 the Council entered into a second copy

Exhibit F - Continued

machine lease for 39 months at a rate of \$113.87 per month. These lease amounts referred to above do not include any annual property tax or overage charges for copies that might be charged by the lessors.

As of June 30, 2020, both of the leases mentioned have been fully paid. Accordingly, there are no lease obligations extending past June 30, 2020.

Total rental expense of \$5,067 for these leases in FY 2020 has been included as a component of Operating Service expenditures in the fund financial statements and as a component of Administration expenses in the government-wide statements.

Note 16 -Related Party Transactions

There were not any related party transactions during the fiscal year.

Note 17 -Economic Dependency

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

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

Note 18 -Line of Credit

On October 20, 2004, the Council's board of directors approved a \$75,000 line of credit with the Council's bank. The line of credit is to be used in case grant funds are not received on time. The Council did not have to draw on the line of credit during the year and made the decision to close the account before June 30, 2020.

Note 19 -Purchase Commitments

This year the Council had no purchase commitments at year end.

Note 20 -On-Behalf Payments for Fringe Benefits

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (RS 11:82) requires the Council to bear a pro-rata share of the pension expense relating to state and local public retirement systems. The Council's pro-rata share of the required contribution was \$60,641 that was withheld by the Lafourche Parish Sheriff from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation in December each year even though some of the property taxes may never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure. The \$60,641 withheld by the Sheriff represents *intergovernmental* expenditures of the General Fund on Exhibit D.

The following list presents the retirement systems that were funded by \$60,641 of the Council's property tax revenues this year:

Assessor's Retirement Fund	\$	6,388
Clerks' of Court Retirement & Relief Fund		5,398
District Attorney's Retirement System		4,319
Municipal Employee's Retirement System		5,398
Parochial Employees' Retirement System		5,398
Registrar of Voters Employees' Retirement		1,350
Sheriff's Pension & Relief Fund		10,797
Teachers' Retirement System		21,593
		<hr/>
	\$	<u>60,641</u>

Note 21 -Interfund Transfers

Operating transfers to and from are listed by fund for the fiscal year as follows:

	Operating Transfers	
	In From	Out To
General Fund:		
Title III B Fund	\$ 0	\$ 1,381,244
Title III C-1 Fund	0	49,253
Title III C-2 Fund	0	407,223
Nonmajor Funds in the Aggregate	0	19,860
Total General Fund	<u>0</u>	<u>1,857,580</u>
Title III B Fund:		
General Fund - PCOA	\$ 100,000	\$ 0
General Fund - local funds	1,281,244	0
Total Title III B Fund	<u>1,381,244</u>	<u>0</u>
Title III C-1 Fund:		
General Fund - local funds	\$ 38,655	\$ 0
General Fund - Supp. Senior Center	10,598	0
Nonmajor Funds in the Aggregate (Sr. Center)	39,203	0
Total Title III C-1 Fund	<u>88,456</u>	<u>0</u>
Title III C-2 Fund:		
General Fund - local funds	\$ 407,223	\$ 0
Nonmajor Funds in the Aggregate	24,983	0
Total Title III C-2 Fund	<u>432,206</u>	<u>0</u>
Nonmajor Funds in the Aggregate:		
Senior Center to Title III C-1 Fund	\$ 0	\$ 39,203
Senior Center to Title III C-2 Fund	0	22,004
Title III D Fund to Title III C-2 Fund	0	1,453
Title III E Fund to Title III C-2 Fund	0	1,526
Title III E Fund from General Fund	19,860	0
Total Nonmajor Funds in the Aggregate	<u>19,860</u>	<u>64,186</u>
Grand Totals	<u>\$ 1,921,766</u>	<u>\$ 1,921,766</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires 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.

Note 22 -Interfund Receivables and Payables

Because the Council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. The Council did not have any interfund loans at year-end.

Note 23 -Subsequent Events

Management has evaluated subsequent events through December 16, 2020, which is the date the financial statements were available to be issued. There were no events that required disclosure.

Note 24 -COVID-19 Pandemic

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

Budgetary Comparison Schedule - General Fund

**Lafourche Council on Aging, Inc.
Mathews, Louisiana**

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final (Amended)	Modified Accrual Basis	Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
PCOA grant	\$ 42,393	\$ 100,000	\$ 100,000	\$ 0
Supplemental Senior Center grants	10,599	10,599	10,599	0
AAA grant	47,720	47,720	47,720	0
MIPPA contract	27,500	30,350	30,950	600
Terrebonne COA - MIPPA contract	0	0	17,775	17,775
La Dept of Transportation & Development	105,350	109,369	109,369	0
Property Taxes	1,923,325	1,934,378	1,877,758	(56,620)
Public Support - restricted	3,183	2,668	2,168	(500)
Public Support - unrestricted	15	0	10,269	10,269
Interest Income	5,515	27,000	26,561	(439)
LWCC Dividends	0	0	84,668	84,668
Miscellaneous	0	0	45	45
Total Revenues	2,165,600	2,262,084	2,317,882	55,798
EXPENDITURES				
Current:				
Personnel	46,224	47,046	44,784	2,262
Fringe	12,690	13,070	12,293	777
Travel	128	54	50	4
Operating Services	6,110	6,892	18,478	(11,586)
Operating Supplies	1,129	1,332	1,687	(355)
Other Costs	15,542	7,338	6,915	423
Full Service	0	0	0	0
Utility Assistance	11,000	3,509	4,078	(569)
Specific Assistance to Individuals	1,200	1,639	1,646	(7)
Lawsuit and Claims Settlements	150,000	77,319	78,378	(1,059)
Capital Outlay	151,792	124,349	129,094	(4,745)
Intergovernmental	60,000	60,641	60,641	0
Total Expenditures	455,815	343,189	358,044	(14,855)
Excess of revenues over expenditures	1,709,785	1,918,895	1,959,838	40,943
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	(2,054,232)	(1,877,334)	(1,857,580)	19,754
Total other financing sources (uses)	(2,054,232)	(1,877,334)	(1,857,580)	19,754
Net increase (decrease) in fund balance	\$ (344,447)	\$ 41,561	102,258	\$ 60,697
FUND BALANCE				
Beginning of year			3,987,433	
End of year			\$ 4,089,691	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III B Fund

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual Basis</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 136,766	\$ 136,766	\$ 136,766	\$ 0
Public Support - restricted (client contributions)	34,490	24,000	24,595	595
Program Service Fees - transportation	1,848	800	714	(86)
Total Revenues	<u>173,104</u>	<u>161,566</u>	<u>162,075</u>	<u>509</u>
<u>EXPENDITURES</u>				
Current:				
Personnel	1,056,344	947,275	948,614	(1,339)
Fringe	338,306	281,247	279,992	1,255
Travel	28,048	23,512	24,384	(872)
Operating Services	95,316	103,215	97,877	5,338
Operating Supplies	73,568	72,442	73,679	(1,237)
Other Costs	32,081	33,818	32,596	1,222
Full Service	83,782	75,390	86,177	(10,787)
Total Expenditures	<u>1,707,444</u>	<u>1,536,899</u>	<u>1,543,319</u>	<u>(6,420)</u>
Excess of expenditures over revenues	<u>(1,534,340)</u>	<u>(1,375,333)</u>	<u>(1,381,244)</u>	<u>(5,911)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	1,534,340	1,375,333	1,381,244	5,911
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>1,534,340</u>	<u>1,375,333</u>	<u>1,381,244</u>	<u>5,911</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-1 Fund

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual</u>	<u>(Unfavorable)</u>
			<u>Basis</u>	
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 119,904	\$ 119,904	\$ 119,904	\$ 0
FFCRA grant	0	23,139	23,139	\$ 0
NSIP grant	18,502	18,502	18,502	\$ 0
Public Support - restricted (client contributions)	28,069	21,000	20,596	\$ (404)
Total Revenues	<u>166,475</u>	<u>182,545</u>	<u>182,141</u>	<u>(404)</u>
<u>EXPENDITURES</u>				
Current:				
Personnel	201,727	156,263	155,956	307
Fringe	32,433	30,791	28,505	2,286
Travel	792	517	543	(26)
Operating Services	18,167	17,071	16,492	579
Operating Supplies	7,792	5,480	5,611	(131)
Other Costs	5,885	5,872	5,359	513
Meals	65,817	58,231	58,131	100
Total Expenditures	<u>332,612</u>	<u>274,225</u>	<u>270,597</u>	<u>3,628</u>
Excess of expenditures over revenues	<u>(166,137)</u>	<u>(91,680)</u>	<u>(88,456)</u>	<u>3,224</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	166,137	91,680	88,456	(3,224)
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>166,137</u>	<u>91,680</u>	<u>88,456</u>	<u>(3,224)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

Budgetary Comparison Schedule - Title III C-2 Fund

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>Modified</u>	<u>Favorable</u>
			<u>Accrual</u>	<u>(Unfavorable)</u>
			<u>Basis</u>	
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 131,091	\$ 131,091	\$ 131,091	\$ 0
FFCRA grant	0	46,277	46,277	0
NSIP grant	65,596	65,596	65,596	0
Public Support - restricted (client contributions)	82,922	62,500	70,020	7,520
Public Support - restricted (other)	125	125	0	(125)
Total Revenues	<u>279,734</u>	<u>305,589</u>	<u>312,984</u>	<u>7,395</u>
<u>EXPENDITURES</u>				
Current:				
Personnel	241,418	296,731	294,288	2,443
Fringe	42,119	59,932	61,825	(1,893)
Travel	45,851	45,231	45,968	(737)
Operating Services	22,491	27,523	25,618	1,905
Operating Supplies	13,352	14,976	16,293	(1,317)
Other Costs	9,426	11,529	15,612	(4,083)
Full Service	0	0	3,751	(3,751)
Meals	257,445	298,198	281,835	16,363
Total Expenditures	<u>632,102</u>	<u>754,120</u>	<u>745,190</u>	<u>8,930</u>
Excess of expenditures over revenues	<u>(352,368)</u>	<u>(448,531)</u>	<u>(432,206)</u>	<u>16,325</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	352,368	448,531	432,206	(16,325)
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>352,368</u>	<u>448,531</u>	<u>432,206</u>	<u>(16,325)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 0</u>
<u>FUND BALANCE</u>				
Beginning of year			<u>0</u>	
End of year			<u>\$ 0</u>	

See notes to required supplementary information.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020

Note 1 - Budgetary Reporting

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

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

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management makes projections of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director and Finance Administrator prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

current fiscal year. The Council's original budget for this fiscal year was approved by the board on May 28, 2019.

- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for compliance approval.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The match might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the Council's budget once at a board meeting on June 10, 2020, using a procedure similar to the one used to approve the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to cover the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

Note 2 - General Fund's Budgeted Operating Deficit

Management originally budgeted an operating deficit of \$344,447 in the Council's General Fund this year because it anticipated the General Fund would have to increase its subsidies (transfers) to the various programs comprising the Special Revenue Funds. Management also anticipated the Council might have significant capital outlay and lawsuit expenditures. The Council was able to budget such a deficit because it had a sufficient unassigned fund balance to absorb the deficit. As the year progressed and more information became available, management was able to amend its original budget, which resulted in a slight surplus of \$41,561.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds**

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

	<u>Senior Center Fund</u>	<u>Title III D Fund</u>	<u>Title III E Fund</u>	<u>Totals</u>
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 97,297	\$ 6,980	\$ 50,119	\$ 154,396
Public Support (Restricted):				
Client contributions	0	0	75	75
Total revenues	<u>97,297</u>	<u>6,980</u>	<u>50,194</u>	<u>154,471</u>
<u>EXPENDITURES</u>				
Health, Welfare, & Social Services:				
Current:				
Personnel	26,866	0	641	27,507
Fringe	3,699	0	255	3,954
Travel	110	0	0	110
Operating Services	4,357	0	24	4,381
Operating Supplies	431	0	75	506
Other Costs	627	0	18	645
Full Service	0	5,527	67,515	73,042
Total expenditures	<u>36,090</u>	<u>5,527</u>	<u>68,528</u>	<u>110,145</u>
Excess of revenues over (under) expenditures	<u>61,207</u>	<u>1,453</u>	<u>(18,334)</u>	<u>44,326</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	0	0	19,860	19,860
Operating transfers out	<u>(61,207)</u>	<u>(1,453)</u>	<u>(1,526)</u>	<u>(64,186)</u>
Total other financing sources (uses)	<u>(61,207)</u>	<u>(1,453)</u>	<u>18,334</u>	<u>(44,326)</u>
Net increase (decrease) in fund balances	0	0	0	0
<u>FUND BALANCE (DEFICIT)</u>				
Beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
End of year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

**Comparative Schedule of Capital Assets and
Changes in Capital Assets**

**Lafourche Council on Aging, Inc.
Mathews, Louisiana**

For the year ended June 30, 2020

	<u>Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2020</u>
<u>Capital Assets</u>				
Vehicles	\$ 832,815	\$ 124,349	\$ (107,465)	\$ 849,699
Furniture & equipment	37,782	4,745	0	42,527
Total capital assets	<u>\$ 870,597</u>	<u>\$ 129,094</u>	<u>\$ (107,465)</u>	<u>\$ 892,226</u>
<u>Investment in Capital Assets</u>				
Property acquired with funds from:				
PCOA	\$ 11,071	\$ 0	\$ 0	\$ 11,071
Federal Transit Administration - Section 5310	527,482	109,369	(74,194)	562,657
Federal Transit Administration - Section 5311 RTAP	1,214	0	0	1,214
Local	<u>330,830</u>	<u>19,725</u>	<u>(33,271)</u>	<u>317,284</u>
Total investment in capital assets	<u>\$ 870,597</u>	<u>\$ 129,094</u>	<u>\$ (107,465)</u>	<u>\$ 892,226</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED FOR LOUISIANA LAW

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

**Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020**

Executive Director's (Agency Head) Name: Charlene Rodriguez

Purpose	Amount
Salary	\$ 85,715.77
Benefits-insurance (health and life)	7,123.50
Benefits-retirement	0
Benefits-other (COA paid FICA, LUTA, WC)	9,584.90
Car allowance	0
Vehicle provided by government (enter amount reported on W-2)	0
Per diem	0
Reimbursements	263.99
Travel	103.00
Registration fees	0
Conference travel	0
Unvouchered expenses (example: travel advances, etc.)	0



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

To the Board of Directors
Lafourche Council on Aging, Inc.
Matthews, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lafourche Council on Aging, Matthews, Louisiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 16, 2020.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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 Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Thibodaux, Louisiana
December 16, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the Year Ended June 30, 2020

SUMMARY OF AUDITOR'S REPORTS

- A. Type of auditor's report issued on the financial statements: Unmodified
- B. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*:
Internal control over financial reporting:
- Material weaknesses identified? No
 - Significant deficiencies identified? None were reported
- Noncompliance material to the financial statements identified? No
- C. Federal Awards:
Auditor's reports on compliance for each major federal award program and on internal control over federal awards are not applicable because federal award expenditures were less than \$750,000 and a single audit was not required this year.
- D. Was a management letter issued for this year's audit? No

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the year ended June 30, 2020

Financial Statement Findings

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

Federal Award Findings and Questioned Costs

No matters were reported last year. Therefore, management has nothing to report in this section.

Management Letter

None was issued last year. Therefore, management has nothing to report in this section.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Lafourche Council on Aging, Inc.
Mathews, Louisiana
For the Year Ended June 30, 2020

To the following oversight agencies for audit:

State: Legislative Auditor of the State of Louisiana; and Governor's Office of Elderly Affairs.

Name and address of independent public accounting firm: T.S. Kearns & Co., CPA, PC, 164 West Main Street, Thibodaux, LA 70301

Audit period: For the year ended June 30, 2020.

The findings from the June 30, 2020 schedule of findings and questioned costs are discussed below.

FINANCIAL STATEMENT FINDINGS

The auditor did not report any findings as a result of this year's audit. Therefore, management has nothing to report in this section.

If you have any questions regarding this audit, please call Charlene Rodriguez, the Council's Executive Director, at (985) 532-0459 or lafcoadirector@viscom.net.