

# Financial Report

St. Charles Council on Aging, Inc.

Destrehan, Louisiana

June 30, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
St. Charles Council on Aging  
Destrehan, Louisiana

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Charles Council on Aging, Destrehan, Louisiana, (the Council) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2022, and the respective changes in financial position and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Council's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (page 4 through 20) and budgetary comparison information (pages 64 through 67) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical

context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 14, 2022 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 the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.



T.S. Kearns & Co., CPA  
Thibodaux, Louisiana  
December 14, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### St. Charles Council on Aging, Inc.

June 30, 2022

The following discussion and analysis of the St. Charles Council on Aging, Inc.'s financial performance provides an overview and analysis of the Council's financial performance and activities for the year ended June 30, 2022. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow.

#### Financial Highlights

- The Council showed an increase in overall net position of \$1,494,811, or about 30%.
- Net capital assets of the Council increased by \$162,156, or about 11.8%.
- The Council's fund revenues decreased by \$167,614, or about 4.75%.
- Fund expenditures decreased by \$671,389, or about 23.7%.
- The unassigned fund balance for the Council's General Fund was \$4,835,773, at year-end, whereas last year's unassigned fund balance was \$3,506,274, which is an increase of \$1,329,499.
- No deficit fund balances existed at year-end.
- The Council has no long-term debt.
- Administrative expenses decreased by \$5,980 or about 1.3% this year. In addition, administrative expenses remained at about 13% to 14% of the Council's gross operating revenues for this year and last year.

#### 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 required by GOEA,
- (5) Supplementary financial information required by Louisiana law, and
- (6) Auditor reports.

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

than the government-wide financial statements by providing information about the Council's most significant funds.

The Council's 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 the MD&A and certain budgetary comparison schedules required by accounting principles generally accepted in the United States of America (GAAP) in this reporting package but did not audit them and therefore expresses no opinion on them. Finally, the auditor states in his report that he has applied certain audit procedures to the supplementary financial information presented for purposes of additional analysis by the Governor's Office of Elderly Affairs (GOEA) and a supplementary schedule of compensation, benefits, and other payments made to the Council's executive director as required by Louisiana law, and that this information is fairly stated in all material respects in relation to the financial statements as a whole.

On page 76 of this reporting package is a second report by the independent auditor. 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 that 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 about 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 (Exhibits A and B) report the Council's net position and changes in them. 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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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 affect cash flows in future fiscal periods.

The governmental activities of the Council include *Health, Welfare, and Social Services*, which are comprised of six primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen center operations, and nonelderly public transportation. Subprogram activities are also presented to facilitate additional analysis. 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. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity. The Council does not have any business-type activities and it did not directly charge any person or entity who received any service a fee to receive the service during the year.

### Fund Financial Statements

The Fund Financial Statements provide detailed information about the Council's most significant funds, not the Council as a whole entity. In the Fund Financial Statements, there are column presentations for a General Fund, three Special Revenue funds that have been determined to be *Major Funds*, and a column for the total of all remaining Special Revenue funds, which are deemed to be *Nonmajor Funds*. Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet the quantitative criteria but which is believed to be important to present to the Council's financial statement users for qualitative reasons. This year management elevated the Title III C-1 Fund to major fund status to be consistent with presentations of financial information of previous years. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

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

### Notes to the Financial Statements

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

### SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each *major* Special Revenue fund that has adopted an annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented. The Council's management amended its General Fund budget as well as the major Special Revenue fund budgets once this year.

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

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

**SUPPLEMENTARY INFORMATION PRESENTED 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 by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

**SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW**

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

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

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

The following amounts reflect condensed information on the Council's assets, liabilities, and net position for the fiscal years 2022 and 2021:

	<u>2022</u>	<u>2021</u>	<u>Increase (Decrease)</u>	<u>% Increase (Decrease)</u>
Current and Other Assets:				
Current Assets	\$ 4,730,007	\$ 3,586,688	\$ 1,143,319	31.88%
Long-term Investment	250,000	0	250,000	100.00%
Capital Assets, net of depreciation	1,540,289	1,378,133	162,156	11.77%
Total Assets	<u>6,520,296</u>	<u>4,964,821</u>	<u>1,555,475</u>	<u>31.33%</u>
Current Liabilities	<u>139,382</u>	<u>78,718</u>	<u>60,664</u>	<u>77.06%</u>
Total Liabilities	<u>139,382</u>	<u>78,718</u>	<u>60,664</u>	<u>77.06%</u>
Net Position:				
Net Investment in Capital Assets	1,540,289	1,378,133	162,156	11.77%
Restricted	0	0	0	0.00%
Unrestricted	4,840,625	3,507,970	1,332,655	37.99%
Total Net Position	<u>\$ 6,380,914</u>	<u>\$ 4,886,103</u>	<u>\$ 1,494,811</u>	<u>30.59%</u>

As of June 30, 2022, and 2021, the Council *as a whole* had assets greater than its liabilities of \$6,380,914 and \$4,886,103, respectively. This \$1,494,811 increase from last year is a good indication that that Council's financial condition has improved. About 76% of the Council's total net position is *unrestricted* at year-end whereas it was about 72% at last year-end. Unrestricted net position is important because it provides management the resources to adapt to changes in the economy, emergencies, unanticipated service needs and a reduction in or termination of grant revenues by government agencies. Next year the Council will consume a significant portion of its unrestricted net position as it constructs a new multi-purpose facility.

The Council's has nothing in *restricted* net position at the end of this year or last year. This means any money received during the year that had restrictions placed upon it was fully consumed as intended. 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 position that has been invested in capital assets is presented net of any related outstanding debt to acquire them. For the years presented, there is not any debt to be subtracted from the

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

capital asset amount. The Council's policy is to acquire capital assets by paying cash and avoiding debt. This policy helps ensure management will stay within its financial means so that future revenues will be spent for client services instead of debt service. The large increase in *net investment in capital assets* is a result of the Council beginning to spend money on the construction of the multi-purpose facility.

**Current assets** include \$4,587,847 (\$3,058,071 for 2021) of funds that have been invested in the Louisiana Asset Management Pool (LAMP). LAMP is a pool of local government funds that invests in short-term, high-quality investments for the purpose of providing a means to earn interest income on idle funds and maintain liquidity. All investment income is available for management's discretionary use. The LAMP account is used as a means to finance the Council's operations during the fiscal year. Property tax collections are deposited into the LAMP account and held there until they are needed to pay the Council's bills.

**Long-term investments** include investments that have maturity dates in excess of one year from the end of the current fiscal year. The Council had one long-term investment at year-end which was a \$250,000 certificate of deposit having a maturity date of February 17, 2024. Longer maturity dates are a way to maximize interest income on a portion of the excess operating funds. When the certificate of deposit matures in 2024, management will examine the Council's cash flow needs at that time and decide if reinvesting the proceeds into a new certificate of deposit is prudent.

**Current liabilities** consist primarily of accounts and credit cards payable of \$119,607 (\$69,138 for 2021). Also included is \$9,018 (\$6,684 for 2021) for compensated absences that represents the Council's aggregate liability for unpaid vacation leave that its employees had earned but not taken as of year-end.

The following table illustrates the revenues and expenses that produced the changes in net position for FY 2022 and FY 2021, respectively.

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

<u>REVENUES</u>	% of 2022		% of 2021		Increase
	2022	Total	2021	Total	(Decrease)
Program Revenues:					
Operating Grants and Contributions	\$ 477,161	14.50%	\$ 476,829	13.74%	\$ 332
Capital Grants and Contributions	0	0.00%	42,720	1.23%	(42,720)
Charges for Services	0	0.00%	0	0.00%	0
General Revenues:					
Property Taxes, net of Withholding	2,654,117	80.68%	2,822,822	81.35%	(168,705)
Unrestricted Grants and Contributions	114,182	3.47%	113,173	3.26%	1,009
Interest Income	10,792	0.33%	3,993	0.12%	6,799
Insurance Proceeds - Hurricane Ida Damages	138,660	4.21%	0	0.00%	138,660
Loss on Abandonment of Leasehold Improvements	(33,560)	-1.02%	0	0.00%	(33,560)
Other Costs and Losses - Hurricane Ida	(85,775)	-2.61%	0	0.00%	(85,775)
Miscellaneous income	14,128	0.43%	10,517	0.30%	3,611
<b>Total Revenues</b>	<b>\$ 3,289,705</b>	<b>100.00%</b>	<b>\$ 3,470,054</b>	<b>100.00%</b>	<b>\$ (180,349)</b>
 <u>EXPENSES</u>					
Supportive Services:					
Transportation of the elderly	\$ 250,333	13.95%	\$ 223,391	12.37%	\$ 26,942
Personal Care	80,468	4.48%	110,233	6.10%	(29,765)
Homemaker	90,149	5.02%	115,989	6.42%	(25,840)
Other supportive services	130,500	7.27%	127,319	7.05%	3,181
Nutrition Services:					
Congregate Meals (over 60)	83,474	4.65%	5,562	0.31%	77,912
Home-delivered Meals - elderly (over 60)	573,581	31.96%	642,209	35.56%	(68,628)
Home-delivered Meals - nonelderly (under 60)	17,390	0.97%	13,932	0.77%	3,458
Disease Prevention and Health Promotion	11,112	0.62%	1,082	0.06%	10,030
Family Caregiver Support	24,820	1.38%	23,795	1.32%	1,025
Senior Citizen Center Operations	61,299	3.42%	69,617	3.85%	(8,318)
Transportation Services - non-elderly	16,895	0.94%	16,968	0.94%	(73)
Other Senior Citizen Activities	7,804	0.43%	3,000	0.17%	4,804
Direct Administrative Expenses	447,069	24.91%	453,049	25.08%	(5,980)
<b>Total Expenses</b>	<b>\$ 1,794,894</b>	<b>100.00%</b>	<b>\$ 1,806,146</b>	<b>100.00%</b>	<b>\$ (11,252)</b>
<b>Increase (Decrease) in Net Position</b>	<b>1,494,811</b>		<b>1,663,908</b>		<b>\$ (169,097)</b>
Net Position beginning of the year	4,886,103		3,222,195		
<b>Net Position end of the year</b>	<b>\$ 6,380,914</b>		<b>\$ 4,886,103</b>		

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

**AN ANALYSIS OF GOVERNMENTAL ACTIVITIES**

The table above presents in a more summarized version the revenues and expenses of the Council's governmental activities for FY 2022 and FY 2021 than does the Statement of Activities.

As you can see from the table, the single largest source of the Council's total revenues came from a local **property tax** in FY 2022 and FY 2021. This year's decrease in property tax revenues was because the total assessed value of property in St. Charles Parish decreased by 96 million dollars. This decrease was a result of the damages caused by Hurricane Ida. Next year, this source of revenue should increase significantly because the 2022 tax assessment is about 226 million more than the 2021 tax assessment. Without this source of revenue, the Council's operations would be impacted significantly and adversely.

Another significant source of revenues is **operating grants and contributions**. These revenues must be used for the purposes for which they were given or granted to the Council. The total amount of revenue in this category increased by only \$332, which indicates the federal and state governments did a good job of helping the Council maintain this important source of revenue at a consistent level through the pandemic and recovery period thereafter.

The Council also received **unrestricted public support and grants**, which are available for management to use at its discretion. The total amount of unrestricted grants and contributions remained relatively the same when compared to last year.

**Interest income** increased significantly this year when compared to last year because the interest rates have risen significantly. In addition, the Council's balance in the LAMP account increased by \$1,529,776 over last year, which means more funds were invested and earning interest.

**Insurance proceeds and other losses and costs from Hurricane Ida** are presented on three separate line items in the table on the previous page to help illustrate the impact the hurricane had upon the Council. This was a one-time event so comparing it to last year is not applicable. Fortunately, the Council had insurance coverage to help offset some of the losses that occurred as a result of the hurricane. Accordingly, the financial impact to the Council was not too bad. Furthermore, the Council's management is aware that this type of disaster is likely to occur each year and has purposely saved money to help cushion the impact that a disaster might have upon the Council's operations. See Footnote 25 for more information about Hurricane Ida.

The **expenses** in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The administrative expenses include all administrative expenses of the Council before any allocation was made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money each year. The expense allocations are a good indication of the demand for each type of service.

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities in both years are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Charles Parish and right now these two services are in the greatest demand. There is also a high demand for in-home type services such as homemaker and personal care. As these demands increase, management may need to adjust its annual budget to reallocate available resources to meet the demands.

Note that when comparing expenses this year to last year that there are some significant increases or decreases in services. These likely have been caused by the changes in operations relating to the virus pandemic. For example, transportation costs have increased because people became more comfortable riding the vans as the risk of illness declined. In addition, some participants who were receiving home-delivered meals were comfortable returning to meal sites to obtain a meal in a congregate setting. As a result, home-delivered meal expenses declined and congregate meal expenses increased. Homemaker and personal care expenses decreased because the demand for these services declined as the risk of illness from the virus declined.

Another area of interest on the Statement of Activities (Exhibit B) relates to the *Total Governmental Activities* column wherein the Council illustrates that almost every program has more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program or subprogram might *break even* or even make a slight *profit*. The Council's ability to support all programs relies heavily on general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Historically, general revenues are used to cover the excess of expenses over revenues in these activities. Without the property tax revenue and the unrestricted grants and contributions, the Council would be unable to provide program services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administration expenses from year-to-year as well as calculating the percentage administration expenses bear in relation to total expenses and total revenues. For FY 2022, total administration expenses were \$447,069 whereas for FY 2021 total administration expenses were \$453,049. Administrative expenses comprised about 25% of the total expenses for this year (or 13.6% of total

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

revenues) compared to 25% last year (or 13% of total revenues). These percentages are within management’s expectations and comparable to the averages of other COAs in Louisiana. Administration expenses include indirect type costs, which are costs that benefit all programs instead of specific 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 \$4,849,643 (as shown on Exhibits C and D), which is an increase of \$1,334,989 when compared to last year. The unassigned fund balance component of the General Fund was \$4,835,773 and is available for spending at management’s discretion. The remainder of the General Fund balance consists of \$13,870 of nonspendable resources, which also equals prepaid expenditures. None of the special revenue funds had a fund balance at year-end.

**Revenues and Other Financing Sources**

The combined fund revenues and other financing sources decreased \$167,614 this year versus last year, as shown in the table below.

	% of 2022		% of 2021		Increase/(Decrease)	
	2022	Total	2021	Total	Amount	Percent
Property Taxes	\$ 2,746,340	81.70%	\$ 2,924,544	82.87%	\$ (178,204)	-6.09%
Intergovernmental	509,103	15.15%	516,878	14.65%	(7,775)	-1.50%
Public Support	81,079	2.41%	73,124	2.07%	7,955	10.88%
Interest Income	10,792	0.32%	3,993	0.11%	6,799	170.27%
Miscellaneous	14,128	0.42%	10,517	0.30%	3,611	34.33%
Total	<u>\$ 3,361,442</u>	100.00%	<u>\$ 3,529,056</u>	100.00%	<u>\$ (167,614)</u>	-4.75%

**Property tax revenue** decreased this year because the assessed value upon which the property tax is assessed decreased by about \$96 million from last year because of Hurricane Ida damaging properties and reducing their values.

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

**Intergovernmental revenue** decreased by 1.5% this year primarily because of slight decreases in the various primary grants that GOEA awards for the Council's special revenue funds.

**Public support revenue** increased by \$7,955 in comparison to last year for multiple reasons. The Council received a *one-time* \$25,000 donation from the Greater New Orleans Foundation, reduced United Way funding of about \$9,100, and reduced client contributions of about \$9,000. This type of revenue is expected to fluctuate from year-to-year because it is voluntary.

**Interest income** increased significantly and the reasons why have already been discussed in another section of the MD & A.

**Miscellaneous income** is comprised of a variety of revenue items but the most noteworthy component relates to periodic dividends from the Council's workman's compensation insurer. Last year the Council received \$9,251 of dividends whereas this year it only received \$8,928, which is a decrease of \$323. In addition, this year the Council sold some old supplies from a home-delivered meals site for \$3,882 but had no sales of this type last year. This explains the overall decrease in this revenue component.

**Expenditures**

Total expenditures decreased by \$671,389 this year, as shown in the table below.

	<b>2022</b>	<b>% of 2022 Total</b>	<b>2021</b>	<b>% of 2021 Total</b>	<b>Increase (Decrease) Amount</b>	<b>Increase (Decrease) Percent</b>
Personnel	\$ 690,187	31.86%	\$ 609,351	21.47%	\$ 80,836	13.27%
Fringe	90,671	4.19%	79,679	2.81%	10,992	13.80%
Travel	650	0.03%	297	0.01%	353	118.86%
Operating Services	334,724	15.45%	290,317	10.23%	44,407	15.30%
Operating Supplies	80,957	3.74%	105,392	3.71%	(24,435)	-23.18%
Other Costs	31,526	1.46%	16,030	0.56%	15,496	96.67%
Full Service Contracts	214,715	9.91%	256,308	9.03%	(41,593)	-16.23%
Meals	335,045	15.47%	345,601	12.18%	(10,556)	-3.05%
Capital Outlay	295,575	13.64%	1,032,964	36.40%	(737,389)	-71.39%
Intergovernmental	92,223	4.26%	101,723	3.58%	(9,500)	-9.34%
	<u>\$ 2,166,273</u>	100.00%	<u>\$ 2,837,662</u>	100.00%	<u>\$ (671,389)</u>	-23.66%

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Personnel expenditures** increased this year primarily because of annual raises and employees working more hours as the Council began to resume normal operations. Last year the Council employed about 23 people, whereas this year that number increased to 26. **Fringe expenditures** increased \$10,992 overall primarily because personnel expenditures increased and these types of costs tend to parallel one another. The components of fringe expenditures that mainly created the overall increase in costs this year are: FICA (\$5,561), state unemployment tax (\$1,749), and health insurance (\$3,709). **Travel expenditures** represent a very minor expenditure category and had a small increase this year. Accordingly, they require no further explanation. **Operating service expenditures** increased \$44,407 overall primarily because of increases in property and liability insurance (\$5,699), workman's comp insurance (\$6,483), advertising (\$5,290), utilities (\$4,693), and vehicle maintenance (\$52,646). These increases were offset by decreases in rent (\$23,963), uniforms (\$2,726), and building maintenance (\$4,567). **Operating supplies expenditures** decreased this year by \$24,435 overall primarily because of an increase in vehicle fuel costs (\$13,903), which was offset by decreases in facility supplies (\$14,817), office supplies (\$11,052), and program supplies (\$13,690). **Other costs** increased this year by \$15,496 overall primarily because of cost increases in senior activities (\$10,747), the annual audit (\$1,000) and a class action legal settlement (\$2,889). **Full-service contract expenditures** decreased this year by \$41,593 overall mainly due to decreases in (1) personal care services (\$29,765) and homemaker services (\$25,839). These reductions were offset by increased costs in material aid (\$5,377) and wellness services (\$10,031). All full-service expenditures benefit the senior citizens directly. **Meal expenditures** decreased by \$10,556 primarily because the Council served 18,569 less home-delivered meals this year (83,266) versus last year (101,835). This service was in more demand last year because of the pandemic. In contrast, congregate meals this year were 5,160 whereas last year only 604 meals were served. The increase of 4,556 meals this year is because of people returning to the congregate meal sites. **Capital outlay expenditures** decreased this year by \$737,389. Typically, capital outlay expenditures vary from year-to-year based on the needs of the Council. Last year the Council acquired land which cost \$732,710 which is the main reason for the decrease this year. For more details about this year's capital outlay expenditures please read the *Analysis of Capital Asset* section that follows later in this discussion. The decrease in **intergovernmental** expenditures of \$9,500 was primarily related to a decrease of \$5,461 in intergovernmental pension charges and a reclassification of how property insurance costs charged by the Parish were presented this year versus last year. Last year \$4,103 of property insurance premiums were presented as a component of intergovernmental expenditures whereas this year the property insurance premiums (\$9,439), charged by the Parish for using its buildings, were presented as a component of operating service expenditures.

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

**AN ANALYSIS OF THE GENERAL FUND BUDGET**

During the fiscal year management amended its General Fund budget once. The main reason for amending the original General Fund budget was to account for any significant changes in revenues, expenditures and transfer accounts. When the budget is first prepared the Council has to make estimates and assumptions based on past experiences and available information. As the year unfolds, some of the information becomes more certain and this allows management to adjust its initial forecasts.

There were a few changes made to the budgeted revenues which resulted in a decrease of \$162,887 being made to the overall revenue total. Some of the more notable changes to revenues were (1) a decrease of \$164,410 in anticipated property tax revenues, (2) a decrease in public support revenue of \$4,480 that related to United Way grants, and (3) an increase in American Rescue Plan (ARP) grant revenue of \$7,640. The reduction in property tax revenues was necessary because at the time the original budget was prepared the Council did not know the actual total assessed value of taxable property would be about 96 million dollars less than the prior year. The public support from United Way was anticipated to be more when the original budget was prepared but United Way approved less than what the Council was requesting. The ARP grant funds did not exist at the time the original budget was prepared but were awarded during the year, so the Council had to account for them during the amendment process.

There were changes made to most of the expenditure categories, which resulted in an overall reduction of \$693,929 to total budgeted expenditures. A couple of the more significant reductions that directly affected the General Fund were (1) the decrease of \$663,454 to capital outlay expenditures and (2) the decrease of \$5,462 to intergovernmental expenditures for the Council's pro rata portion of retirement plan expenses associated with various statewide agencies. The reduction in capital outlay expenditures occurred because at the time the original budget was prepared the Council believed it would have completed significant portions of construction on a building for providing senior citizen services and administrative functions. However, as the year progressed it was obvious that the bulk of construction would not occur until next year, so an adjustment was made to estimate the portion that would most likely occur this year. Also, the actual information about the amounts owed to statewide retirement plans became available so the Council was able to adjust its intergovernmental expenditure line item to more closely reflect what actually happened.

Changes were also made to the other financing sources (uses) section of the budget. Transfers out to the special revenue funds were decreased by \$502,614 because the actual operating costs of

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

those funds was much less than originally expected. In addition, Hurricane Ida passed through the Parish during August 2021 causing significant damages which resulted in the Council being paid \$138,660 of insurance. Accordingly, this other financing source had to be accounted for within the amended budget.

A schedule of the original and amended budgets with comparative results to the actual revenues and expenditures for the General Fund can be found in the *Supplementary Financial Information Required by GASB Statement 34* section of this report.

When comparing the General Fund's amended budget to actual results, the Council had an overall net unfavorable variance of \$16,845. The more noteworthy reasons behind this net unfavorable variance can be summed up as follows:

- Total expenditures were \$74,266 more than budgeted mainly because there were expenditures that occurred as a result of Hurricane Ida that the Council had to absorb using its General Fund money because they were not directly related to the operation of the programs sponsored by the various special revenue funds. These costs also impacted the allocation of indirect costs.
- Transfers to other programs were budgeted in the aggregate to be \$1,140,048 whereas actual needs only required \$1,082,691 of transfers from the General Fund, resulting in a favorable variance of \$57,357.

Also, note that because almost all of the revenues received into the Council's General Fund are unrestricted in nature, management has a lot of flexibility and discretion in being able to expend or transfer out money from its General Fund.

### AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$1,540,289 in capital assets net of accumulated depreciation, which is a net increase from last year of \$162,156. The net increase is comprised of the cost (\$295,575) of assets that were acquired, less current year depreciation of \$99,859, and less \$33,560 of leasehold improvements that were abandoned at the Hahnville location when Hurricane Ida damaged the building so bad that the Council had to relocate. The capital assets acquired this year consisted of \$279,580 of architect fees relating to the construction of the new building and a \$15,995 copy machine to replace the old one that was destroyed by the hurricane. Thirteen of the Council's eighteen vehicles were fully depreciated at year-end and all vehicles were operational. The Council has plans to finish building a new facility in fiscal year 2023 on the land that it purchased in fiscal year 2021. That facility will be a multiple-purpose facility in that it will be a senior center,

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

meal site and become the administrative headquarters of the Council. The additional costs to complete the construction of the new building are expected to be about \$4,930,000. The Council also expects to purchase a new van to deliver home-delivered meals next year at an expected cost of about \$30,000.

	<b>2022</b>	<b>2021</b>	<b>Increase (Decrease)</b>
Land	\$ 732,710	\$ 732,710	\$ -
Vehicles	64,392	126,055	(61,663)
Equipment	23,031	14,251	8,780
Leasehold Improvements	440,576	505,117	(64,541)
Construction in-progress	279,580	-	279,580
	\$ 1,540,289	\$ 1,378,133	\$ 162,156

The Council has no long-term debt related to its capital assets and does not like to incur any as a matter of 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. In addition, the Council expects its property tax revenue to be \$389,000 more in FY 2023 than it was in FY 2022.

Management has initially budgeted \$4,051,159 in revenues and \$7,698,879 in expenditures for the Council's programs in FY 2023 producing an excess of expenditures over revenues of \$3,647,720. The main reason for the budgeted deficit next year is because the Council will be constructing a new multi-purpose facility as previously discussed.

The GOEA has approved the Council’s original budget for fiscal year 2023. There are no plans to add or terminate any programs in FY 2023. 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.

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

**CONTACTING THE COUNCIL'S MANAGEMENT**

Our financial report is designed to provide government 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 April Keller, Executive Director, at 150 Troxclair Lane, Destrehan, Louisiana, 70047 or by phone at (985) 783-6683.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Statement of Net Position**  
**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**  
**June 30, 2022**

	<b>Governmental Activities</b>
<b><u>ASSETS</u></b>	
Current Assets:	
Cash and short-term investments	\$ 4,657,945
Property tax receivable	46,762
Receivable from GOEA	4,721
Receivable from United Way	4,587
Other receivables	2,122
Prepaid expenses	13,870
Total current assets	4,730,007
Long-term investment	250,000
Capital Assets:	
Land	732,710
Other capital assets, net of accumulated depreciation	527,999
Construction in-progress on new building	279,580
Total capital assets	1,540,289
Total Assets	6,520,296
<b><u>LIABILITIES</u></b>	
Current Liabilities:	
Accounts payable	116,128
Credit cards payable	3,479
Accrued payroll taxes and employee payroll withholdings	7,868
Class action settlement payable	2,889
Accrued compensated absences	9,018
Total current liabilities	139,382
<b><u>NET POSITION</u></b>	
Net investment in capital assets	1,540,289
Unrestricted	4,840,625
Total Net Position	\$ 6,380,914

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

**Statement of Activities**  
**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**  
**For the year ended June 30, 2022**

Functions/Programs	Program Revenues					Net (Expense) Revenue and Increase (Decrease) in Net Position
	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
<b>Governmental Activities</b>						
<b>Health, Welfare &amp; Social Services:</b>						
Supportive Services:						
Transportation of the Elderly	\$ 250,333	\$ 129,150	\$ 0	\$ 47,446	\$ 0	\$ (332,037)
Homemaker	90,149	0	0	17,030	0	(73,119)
Information and Assistance	54,867	34,554	0	5,150	0	(84,271)
Legal Assistance	2,649	0	0	1,910	0	(739)
Material Aid	4,653	0	0	437	0	(4,216)
Medical Alert	1,296	0	0	121	0	(1,175)
Personal Care	80,468	0	0	16,121	0	(64,347)
Recreation & Senior Events	62,577	39,408	0	0	0	(101,985)
Outreach	24	15	0	2	0	(37)
Vaccine Outreach	4,434	0	0	5,434	0	1,000
Nutrition Services:						
Congregate Meals	83,474	36,109	0	50,905	0	(68,678)
Home Delivered Meals - elderly (over 60)	573,581	165,069	0	201,467	0	(537,183)
Home Delivered Meals - nonelderly (under 60)	17,390	5,099	0	6,266	0	(16,223)
Disease Prevention and Health Promotion	11,112	0	0	6,203	0	(4,909)
Family Caregiver Support	24,820	509	0	24,776	0	(553)
Senior Citizen Center Operations	61,299	0	0	49,802	0	(11,497)
Transportation Services - Non Elderly	16,895	8,716	0	16,667	0	(8,944)
Other Senior Citizen Activities	7,804	2,216	0	1,200	0	(8,820)
<b>Administration</b>	447,069	(420,845)	0	26,224	0	0
Total governmental activities	\$ 1,794,894	\$ 0	\$ 0	\$ 477,161	\$ 0	(1,317,733)
<b>General Revenues (Losses):</b>						
Property taxes, net of intergovernmental expenses withheld (\$92,223)					2,654,117	
Grants and contributions not restricted to specific programs					114,182	
Interest income					10,792	
Insurance proceeds from Hurricane Ida damages					138,660	
Loss on abandonment of leasehold improvements - Hurricane Ida					(33,560)	
Other costs and losses associated with Hurricane Ida					(85,775)	
Miscellaneous income					14,128	
Total General Revenues					<u>2,812,544</u>	
Increase (Decrease) in net position						1,494,811
Net Position - Beginning of the Year						<u>4,886,103</u>
Net Position - End of the Year						<u>\$ 6,380,914</u>

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

## **FUND FINANCIAL STATEMENTS**

**Fund Balance Sheet  
Governmental Funds**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
June 30, 2022**

	General Fund	Title III B Fund	Title III C-1 Fund	Title III C-2 Fund	Non-Major Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 4,798,232	\$ 27,649	\$ 12,849	\$ 62,122	\$ 7,093	\$ 4,907,945
Property tax receivable	46,762	0	0	0	0	46,762
Receivable from GOEA	0	4,721	0	0	0	4,721
Receivable from United Way	4,587	0	0	0	0	4,587
Other receivables	2,122	0	0	0	0	2,122
Prepaid expenditures	13,870	0	0	0	0	13,870
Total Assets	<u>\$ 4,865,573</u>	<u>\$ 32,370</u>	<u>\$ 12,849</u>	<u>\$ 62,122</u>	<u>\$ 7,093</u>	<u>\$ 4,980,007</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$ 3,881	\$ 31,830	\$ 12,740	\$ 61,613	\$ 6,064	\$ 116,128
Credit cards payable	1,292	540	109	509	1,029	3,479
Accrued payroll taxes and employee payroll withholdings	7,868	0	0	0	0	7,868
Class action settlement payable	2,889	0	0	0	0	2,889
Total Liabilities	<u>15,930</u>	<u>32,370</u>	<u>12,849</u>	<u>62,122</u>	<u>7,093</u>	<u>130,364</u>
<b>Fund Balances</b>						
Nonspendable - prepaid expenditures	13,870	0	0	0	0	13,870
Unassigned	4,835,773	0	0	0	0	4,835,773
Total Fund Balances	<u>4,849,643</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,849,643</u>
Total Liabilities and Fund Balances	<u>\$ 4,865,573</u>	<u>\$ 32,370</u>	<u>\$ 12,849</u>	<u>\$ 62,122</u>	<u>\$ 7,093</u>	
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>						
- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds						(9,018)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						1,540,289
<b>Net Position of Governmental Activities</b>						<u>\$ 6,380,914</u>

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

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

**St. Charles Council on Aging, Inc.**

**Destrehan, Louisiana**

**For the year ended June 30, 2022**

	<b>General Fund</b>	<b>Title III B Fund</b>	<b>Title III C-1 Fund</b>	<b>Title III C-2 Fund</b>	<b>Non-Major Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>						
Property Taxes	\$ 2,746,340	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,746,340
Intergovernmental	143,771	75,568	50,203	158,780	80,781	509,103
Public Support (Restricted)	22,933	12,648	702	41,527	0	77,810
Public Support (Unrestricted)	3,269	0	0	0	0	3,269
Interest Income	10,792	0	0	0	0	10,792
Miscellaneous	14,128	0	0	0	0	14,128
<b>Total revenues</b>	<b>2,941,233</b>	<b>88,216</b>	<b>50,905</b>	<b>200,307</b>	<b>80,781</b>	<b>3,361,442</b>
<b>EXPENDITURES</b>						
<b>Health, Welfare, &amp; Social Services:</b>						
Current:						
Personnel	147,986	232,333	67,052	241,937	879	690,187
Fringe	18,287	37,003	7,195	28,013	173	90,671
Travel	96	339	38	176	1	650
Operating Services	70,753	104,503	15,037	120,742	23,689	334,724
Operating Supplies	11,604	38,549	1,678	24,320	4,806	80,957
Other Costs	16,398	6,236	1,405	7,471	16	31,526
Full Service Contracts	0	179,215	0	376	35,124	214,715
Meals	9,291	0	25,403	300,351	0	335,045
Capital Outlay	295,575	0	0	0	0	295,575
Intergovernmental	92,223	0	0	0	0	92,223
<b>Total expenditures</b>	<b>662,213</b>	<b>598,178</b>	<b>117,808</b>	<b>723,386</b>	<b>64,688</b>	<b>2,166,273</b>
Excess of revenues over (under) expenditures	2,279,020	(509,962)	(66,903)	(523,079)	16,093	1,195,169
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers out	(1,082,691)	0	0	0	(21,540)	(1,104,231)
Operating transfers in	0	509,962	66,903	521,919	5,447	1,104,231
Proceeds from insurance due to Hurricane Ida damages	138,660	0	0	1,160	0	139,820
<b>Total other financing sources (uses)</b>	<b>(944,031)</b>	<b>509,962</b>	<b>66,903</b>	<b>523,079</b>	<b>(16,093)</b>	<b>139,820</b>
Net increase (decrease) in fund balances	1,334,989	0	0	0	0	1,334,989
<b>FUND BALANCE (DEFICIT)</b>						
Beginning of year	3,514,654	0	0	0	0	3,514,654
End of year	\$ 4,849,643	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,849,643

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

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

**St. Charles Council on Aging, Inc.**

**Destrehan, Louisiana**

**For the year ended June 30, 2022**

Net Increase (Decrease) in Fund Balances - Total Governmental Funds	\$ 1,334,989
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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 is the amount by which Capital Outlay expenditures (\$295,575) exceeded Depreciation expense (\$99,858) this year.	195,717
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When capital assets are sold, written-off, or disposed of, there could be a gain or loss on the disposition, which is included within the Statement of Activities. However, governmental funds do not present gains or losses on the disposition of capital assets because they do not represent inflows or outflows of financial resources. This reconciling item represents the net loss of \$33,560, which was the book value remaining at the time leasehold improvements were abandoned when the Council had to move from its main office due to damages caused by Hurricane Ida.	(33,560)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Increase in compensated absences payable	<u>(2,335)</u>
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Increase (Decrease) of Net Position of Governmental Activities	<u><u>\$ 1,494,811</u></u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

**NOTES TO FINANCIAL STATEMENTS**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
June 30, 2022**

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

The accounting and reporting policies of the St. Charles 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 St. Charles Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of 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 the parish.

The primary services provided by the Council to the elderly residents of St. Charles Parish include transportation, homemakers, information & assistance, legal assistance, medical alert devices, personal care, outreach, recreation, congregate and home-delivered meals, disease prevention and health promotion, family caregiver support, and operating senior citizen centers. The Council also provides limited transportation services to dialysis patients regardless of age.

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

St. Charles 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 January 31, 1974 and subsequently incorporated on January 12, 1976, under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A board of directors, consisting of 13 voluntary members, who serve three-year terms, governs the Council. Each board member can serve no more than two consecutive terms. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. The Council makes efforts to maintain a board of directors whose composition will be representative of the population of St. Charles Parish. Board members are elected by the general membership of the Council. Membership in the Council is open at all times, without restriction, to all residents of St. Charles Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs.

Membership fees are not charged.

Although the St. Charles Council on Aging, Inc. (the Council) works with the St. Charles Parish Council (the Parish) in carrying out some social programs throughout St. Charles Parish, the Parish does not appoint a voting majority of the Council's board and the Parish does not intend to impose its will to affect the operations of the Council. The Parish does not provide directly any of the Council's total revenues; only various in-kind contributions. In addition, the Parish does not assume any specific financial burdens of the Council. As a result, the St. Charles Council on Aging, Inc. is not a component unit of the St. Charles Parish Council.

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 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 primarily supported by a property tax and intergovernmental revenues.

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The amounts are presented on a consolidated basis and represent only governmental type activities. The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses that 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 costs among various functions and programs in accordance with *Title 2 U.S. Code of Federal Regulations Part 200, - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 administrative grant 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 that are provided by a specific function or program to people or other entities. *General revenues* are reported separately from program related revenues because they are unrestricted as to their use or purpose. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. *Special items*, if any, are significant

transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any special items this year.

### **Fund Financial Statements**

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

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

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, management elected to include one nonmajor fund (Title III C-1 Fund) as a major fund. The remaining nonmajor funds are summarized (aggregated) by category or fund type into a single column in the fund financial statements.

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

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

### **General Fund**

**The General Fund** is the general operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a brief description of the programs or 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 funds are often used as transfers to other programs to eliminate deficits in cases where expenditures exceed revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

### **Local Transportation Program Services - Non-elderly**

The Council provides transportation services to persons, primarily dialysis patients, who are not 60 years old. United Way funds and unrestricted public support are used to pay for these services. During the year 590 units of service were provided under this program. The transportation services provided in this program differ from those provided in the Title III B program in that recipients of these services do not have to be at least 60 years old, which is required of Title III B participants.

### **Local Home Delivered Meals Program - Non-elderly Meals**

The Council provides meal delivery services to persons who are not 60 years old, but reside with someone who is at least 60 years old and who is receiving home-delivered meals under the Title III C-2 program. United Way funds and

unrestricted public support are used to pay for these services. During the year 2,402 meals were provided under this program.

### **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. In FY 2022, the Council received this grant money into its General Fund and management transferred \$100,000 to the Title III B Fund to subsidize that fund's operating expenditures.

### **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 \$19,221 of AAA *regular* funding and \$7,003 of AAA ARP (American Rescue Plan) 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 AAA funding is not enough to pay for all the administrative (indirect) type costs. As a result, the Council will consume the GOEA AAA 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.

### **Supplemental Senior Center Funding**

The Louisiana Legislature appropriated additional 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 \$10,912.50 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.

### **FTA Funding for Vehicle 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 did not acquire any new vans using FTA grant funds.

### **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 4 outreach/public education & enrollment assistance events. Information about the disease prevention and wellness components of Medicare, LIS and MSP programs was provided to the public by the Council at these events to earn the revenue from this GOEA grant.

### **Recreation and Special Events**

Recreation is a program whereby the Council provides services to individuals through group activities with the purpose of promoting social interaction and wellbeing. Activities include arts and crafts, bingo and other games, and physical activities. In addition, the Council holds *special events* to encourage social interaction as a form of recreation. This year the Council held a Mardi Gras ball and an Older Americans Act celebration as their special events. These activities are funded using only General Fund revenues.

### **Vaccine Outreach Program**

Vaccine outreach is a new program this year that was funded with a \$5,434 grant from GOEA. The purpose of this program is to help elderly people obtain access to the COVID 19 vaccine by providing them with credible information, scheduling appointments, identifying those who need the vaccine, arranging accessible transportation, and providing reminders about the second vaccination.

## Special Revenue Funds

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term *proceeds of specific revenue sources* establish 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, which are designed to account for Title III grants. These grants originate at the federal level and are issued to the State of Louisiana's Governor's Office of Elderly Affairs (GOEA). GOEA matches a portion of the federal grant with state money and then passes the grant funds through to the local level (St. Charles COA).

The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or a nonmajor governmental fund.

### Major Special Revenue Funds:

#### Title III-B Fund

The Title III B Fund is used to account for funds, which are used to provide various types of supportive social services to the elderly. The main source of the revenue forming the basis for this fund is a grant (\$56,655) the Council received from GOEA for *Special Programs for the Aging \_ Title III, Part B\_ Grants for Supportive Services and Senior Centers*. This year the Council also received \$18,913 in ARP grant funds to help offset costs relating to providing Title III B services as a result of the COVID-19 pandemic.

GOEA has established the criteria for defining 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>Primary Grant Units</u>	<u>ARP Grant Units</u>	<u>Total Units</u>
Information and Assistance	976	0	976
Transportation for people age 60 or older	8,409	0	8,409
Medical Alert	53	0	53
Personal Care	4,348	9	4,357
Homemaker	5,002.50	4	5,006.50
Legal Assistance	40.74	0	40.74
Assisted Transportation	318	0	318

### **Title III C-1 Fund**

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout St. Charles Parish. The Council maintains meal sites in Luling and New Sarpy. There were three primary sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging \_ Title III, Part C-1 \_ Nutrition Services* grant funds (\$42,649), \$7,554 in ARP grant funds, and contributions from those persons who received congregate meals (\$702). During the year, the Council reported to GOEA that it provided 5,160 meals and 2 units of nutrition education to eligible participants.

### **Title III C-2 Fund**

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals and nutrition education to homebound people who are age 60 or older. There were three primary sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging \_ Title III, Part C-2 \_ Nutrition Services* grant funds (\$57,860); Nutrition Services Incentive Program (NSIP) grant funds (\$64,139); and contributions from those persons who received the home-delivered meals (\$29,027). In addition to the main sources of revenues, the Council received a \$12,500 donation from the Greater New Orleans Foundation, \$18,258 in CARES Act (HDC5) grant funds, and \$18,523 in ARP grant funds from GOEA to help provide services relating to the COVID-19 pandemic. The Council reported to GOEA that it provided 83,266 home-delivered meals and 24 units of nutrition education during the year to eligible participants. 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.

**Nonmajor Special Revenue Funds:**

**Senior Center Fund**

The Senior Center Fund is used to account for the administration of Senior Center program funds (\$49,802) 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 at which elderly people can receive congregate social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior centers for St. Charles Parish are located in Luling and New Sarpy. Any grant funds not used (\$21,540 this year) to pay for senior center operating costs were transferred to the Title III C-1 Fund to subsidize the cost of providing congregate meals.

**Title III D Fund**

The Title III D Fund is used to account for wellness services, which include disease prevention and health promotion activities that are paid for using GOEA funds. The primary source of the revenue forming the basis for this fund is a grant (\$3,873) the Council received from GOEA for *Title III, Part D\_ Disease Prevention and Health Promotion Services*. The Council also received \$2,330 in ARP grant funds from GOEA to help provide wellness type services as a result of the COVID-19 pandemic. During the year the Council reported to GOEA it provided 1,243 units of wellness services.

**Title III E Fund**

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. The primary source of the revenue forming the basis for this fund is a grant (\$20,512) the Council received from GOEA for the *Title III, Part E \_ National Family Caregivers Support Program*. In addition to the primary grant, GOEA provided the Council \$4,264 of ARP grant funds to help pay for costs associated with providing services during the COVID-19 pandemic. During the year the Council reported to GOEA it had provided 1,266.75 units of in-home respite, 7 units of material aid, and 29 units of information and assistance.

**d. Measurement Focus and Basis of Accounting:**

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

- **Government-Wide Financial Statements - Accrual Basis:**

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

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

Governmental fund 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 and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and changes in accrued compensated absences are costs that are not recognized in the governmental funds.

**e. Interfund Activity:**

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from)

and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

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

**f. Cash:**

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

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. The Council presents restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations. At year-end the Council did not have any restricted cash amounts.

**g. Investments:**

Investments in certificates of deposit are reported at cost because they are *nonparticipating* interest-earning investment contracts as discussed in GASB 31. The term *nonparticipating* means that the investment value does not vary with market interest rate changes. Investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

The Council also invests funds in the Louisiana Asset Management Pool (LAMP). LAMP is a local government 2a7-like investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. A 2a7-like pool is an external investment pool that is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. However, LAMP, Inc. is subject to regulatory oversight by the state treasurer and its board of directors. For financial statement purposes, LAMP investments are valued and reported at fair value based on quoted market rates.

The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. LAMP seeks to maintain a stable net asset value of \$1.00 per unit, but there are no assurances that LAMP will be able to always achieve this objective. Because of its liquidity, the balance in the LAMP account is classified as a current asset on the Statement of Net Position.

**h. Receivables:**

The financial statements will contain an allowance for uncollectible property (ad valorem) tax if management estimates that some of the tax owed the Council will not be collected. When an allowance is considered appropriate by management, the amount will be applied to reduce the property tax receivable amount presented on the Statement of Net Position (Exhibit A) and the Balance Sheet (Exhibit C). See Note 3 for information about this year's allowance for uncollectible property taxes.

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.

**i. Prepaid Expenses/Expenditures:**

In the government-wide financial statements prepaid expenses include amounts paid in advance for goods and services. These 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 assets 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 not currently available for expenditure.

**j. Capital Assets:**

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

**Government-Wide Financial Statements**

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

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

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

Computer Equipment	5 years
Leasehold Improvements	20 years
Nutrition Equipment	10 years
Vehicles	5 years
Other Equipment	6 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be

taken in the year the capital assets are placed in service or disposed.

### **Fund Financial Statements**

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

k. **Unpaid Compensated Absences:**

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation 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.

The amount accrued as the compensated absence liability was determined using the number of vested vacation 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 differences in the methods of accruing compensated absences create 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.

**l. Advances from Funding Agency:**

Advances from funding agency represent unexpended balances of grants awarded to the Council that are required to be returned to the 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 had no advances from GOEA or any other funding agency.

**m. 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.

**n. 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.

**o. 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.

**p. 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 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 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 the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned fund balance 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 more than one classification, the Council will use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Council's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

**q. Management's Use of Estimates:**

The preparation of financial statements in conformity with United States 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.

**r. Allocation of Indirect Expenses:**

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

**s. 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.

**t. 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 are 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 had no special items to report this year.

**Note 2 - Revenue Recognition**

Revenues are recorded in the government-wide statements when they are earned under 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 recorded as revenue when received.

**Note 3 - Revenue Recognition - Property Tax**

The Council receives funds from two property tax assessments for the purpose of operating and maintaining programs for the elderly in St. Charles Parish. The initial property tax of .98 mills was renewed for a ten-year period, ending with the year 2027, by the voters of St. Charles Parish on December 10, 2016. The second millage equal to .8 mills was voted on and approved by the voters of St. Charles Parish on November 6, 2018.

The taxes are 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, 2021, of the certified property tax roll was \$1,703,286,291. After applying homestead exemptions of \$98,335,726, the net assessed value upon which the Council's property tax was computed was \$1,604,950,565. 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 St. Charles Parish Government (SCPG) entered into various property tax abatements which resulted in the Council receiving \$206,599 less in property tax revenues than if the abatements did not exist.

The maximum amount the Council may legally elect to assess property owners each year is 1.78 mills (.98 mill from the first millage and .80 mill from the second), however, for this fiscal year only .94 mills of the first .98 mills and .78 mills of the second .80 mills were assessed. Management initially estimated the gross amount of property tax payable to the Council for this fiscal year to be \$2,760,512. However, after the estimate was made, the Council was notified by the Sheriff's office of adjustments for supplements, reductions, and additional adjudicated/exempt taxes. As a result of the adjustments, the Council's gross property tax revenue relating to the current year's property tax was changed to \$2,759,375 before any write-offs for estimated bad debts. Management's estimate for uncollectible property taxes this year was \$14,674, which has been applied as a reduction of this year's revenue and related receivable. In addition, the Council collected \$1,639 of prior year property taxes previously written off. As a result, the adjusted property tax revenue presented in this year's financial statements is \$2,746,340.

Property taxes are normally levied on November 15 and are considered delinquent if not paid by December 31 (the lien date). However, for the 2021 property tax, the due date for paying the tax was extended to February 28, 2022 due to Hurricane Ida. Most of the property taxes are collected during the months of December, January, and February. The St. Charles Parish Sheriff acts as the collection agent for the Parish's property taxes. There was no tax sale in 2022 for St. Charles Parish for the 2021 property tax assessment because of Hurricane Ida. The next tax sale will happen in the summer of 2023.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed (November each year). As the taxes are collected and remitted to the Council, they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also accrues as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. The Council did not present any amounts this year as deferred property tax revenue because management estimates this amount to be immaterial to these financial statements.

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 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have been presented at their gross amount less any allowance for uncollectible amounts. In contrast, on the government-wide Statement of Activities (Exhibit B), property tax revenues of have been presented net of any uncollectible amounts and intergovernmental expenses withheld by the Sheriff or the Parish before remitting the tax revenue to the Council. For FY 2022 the intergovernmental expenses totaled \$92,223 and consisted of *on-behalf payments for fringe benefits* (\$91,533 – also see Note 11) and indirect costs charged by the Parish (\$690). In contrast, for purposes of Exhibit D, intergovernmental expenditures of \$92,223 have been presented as a separate line item within the expenditures section of that statement rather than being netted against the gross property tax revenue.

#### **Note 4 - Cash and Investments**

The Council's operating account is a consolidated bank account, which is available for use by all funds. The purpose of the consolidated account is to reduce administration costs and facilitate cash management by allowing those funds with available cash resources to temporarily cover any negative cash balances in other funds.

At year-end, all of the Council's bank balances (checking account plus certificates of deposits) were secured 100% by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. The Council's policy is to follow state law wherein all of its bank deposits are required to be covered with FDIC insurance or properly collateralized.

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

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 \$250,000 in a certificate of deposit and \$4,587,847 in the Louisiana Asset Management Pool (LAMP). Both types of investments comply with state law and the Council's investment policy.

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 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 18 days and the WAM (to final) is 56 days as of June 30, 2022.
- Foreign currency risk: Not applicable to 2a7-like pools.

At June 30, 2022, the Council's cash and investments consisted of the following:

<u>Cash &amp; Investments</u>	<u>Cost</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Cash:				
Checking account - operating	\$ 69,898	None	Demand	Category 1
Petty Cash	200	None	N/A	None
Total Cash	<u>70,098</u>			
Investments:				
Certificates of Deposit:				
First National Bank	250,000	1.44%	2/17/2024	Category 1
LAMP	<u>4,587,847</u>	1.44%	Demand	Not Required
Total Investments	<u>4,837,847</u>			
Total Cash & Investments	<u>\$ 4,907,945</u>			
Unrestricted Purpose	\$ 4,907,945			
Restricted Purpose	<u>0</u>			
Total Cash & Investments	<u>\$ 4,907,945</u>			

Cost approximates fair value in the above table.

The certificate of deposit represents a nonparticipating interest-earning contract as described in GASB Statement 31; accordingly, it has been reported at cost in these financial statements. The maturity date of the certificate of deposit is after June 30, 2023 therefore it is presented as a long-term investment on the Statement of Net Position.

#### **Note 5 - Receivable from GOEA**

At June 30, 2022, all amounts due to the Council under its government grants and contracts have been remitted to the Council, except for \$4,721 under the Title IIIB grant.

**Note 6 - Prepaid Expenditures and Expenses**

At year-end, prepaid expenditures and prepaid expenses consisted of the following:

<u>Nature of Prepaid</u>	<u>Amounts</u>
Insurance Premiums	\$ 10,428
Worker's Comp Premiums	3,442
Total	<u>\$ 13,870</u>

**Note 7 - Changes in Capital Assets**

A summary of changes in depreciable capital assets is as follows:

	<u>June 30, 2021</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 30, 2022</u>
Vehicles	\$ 551,216	\$ 0	\$ 0	\$ 551,216
Equipment	45,426	15,995	(16,468)	44,953
Leasehold improvements	641,055	0	(51,112)	589,943
	<u>1,237,697</u>	<u>15,995</u>	<u>(67,580)</u>	<u>1,186,112</u>
Less: Accumulated Depreciation	<u>(592,275)</u>	<u>(99,858)</u>	<u>34,020</u>	<u>(658,113)</u>
Total	<u>\$ 645,422</u>	<u>\$ (83,863)</u>	<u>\$ (33,560)</u>	<u>\$ 527,999</u>

The Council's management has reviewed the list of individual capital assets and does not believe any of the assets to be impaired as of year-end.

The Council also acquired land during FY 2021 and management plans to build a multi-purpose facility on it in FY 2023. The total cost of the land was \$732,710, however, the Council only paid \$689,990 in cash to acquire it. The seller gave the Council an in-kind donation "credit" of \$42,720 towards the sales price at the time of closing.

This fiscal year, the Council began planning for construction of its multi-purpose facility by engaging an architect. The cost of the architect thus far is \$279,580, which has been presented as a component of capital assets under the description of construction in-progress.

All of the Council's fixed assets are subject to depreciation, except for land and construction in-progress. Accordingly, the cost of the land and the construction in-progress have not been included in the table presented above.

Depreciation was charged to governmental activities as follows:

Supportive Services:		
Transportation for the elderly	\$	45,265
Nutrition Services:		
Congregate meals		735
Home-delivered meals		10,511
Senior citizen center operations		30,509
Transportation of the nonelderly		3,054
Administration		9,784
		<hr/>
Total Depreciation Expense	\$	<u>99,858</u>

The depreciation expense 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 are charged as direct expenses to their related functions on the Statement of Activities.

**Note 8 - Accrued 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 all be used before the end of the next fiscal year. In contrast, no liability for vacation leave has been presented in the Balance Sheet of the fund financial statements because vacation 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 vacation leave account during the fiscal year:

	Balance <u>6/30/2021</u>	Net Increase <u>(Decrease)</u>	Balance <u>6/30/2022</u>
Accumulated Unpaid Leave	\$ 6,683	\$ 2,335	\$ 9,018

## **Note 9 - In-Kind Contributions**

The Council received various in-kind contributions during the year. The senior center meal site locations in Luling and New Sarpy were provided without rental charge. However, the Council is responsible for paying the utility bill at these locations. If the Council had to pay rent for these locations, management estimates that each location would have cost about \$6,000 annually.

During the year the St. Charles Parish Sheriff and TRIAD distributed 611 informational flyers to the elderly as a crime prevention service provided by the Council. Management has estimated the value of this service to be \$892.

The Council is a distribution site for *Food for Seniors* where commodities (food boxes) are passed out to the elderly. The commodities are not actually donated to the Council as an in-kind contribution. The Council coordinates the distribution and provides the manpower to help another local non-profit entity distribute the food boxes. During the year the Council distributed 550 food boxes. The estimated value of the food within each box was \$75.64 (\$41,602 = total for all boxes).

Occasionally, the Council transports people that require assistance to make the trip. In such cases, the Council provides the transportation but cannot provide a person to assist the client being transported. The person who assists the client being transported is counted as in-kind support. Management estimates that if it had to pay these helpers, the total annual cost would have been \$10,796 (318 units at \$33.95/unit).

No amounts have been recorded in these financial statements because accounting principles for governmental entities do not require the valuation and recording of in-kind contributions.

## **Note 10 - Fund Balances - Fund Financial Statements**

At year-end the Council had expended all restricted funds, accordingly, there are no restricted fund balance components of its General Fund.

In addition, the Council had no balances remaining in its special revenue funds. Usually, the fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants. The composition of the fund balance components of the General Fund are presented separately on Exhibit C.

**Note 11 - On-Behalf Payments for Fringe Benefits (public retirement systems)**

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 statewide public retirement systems. The Council's pro-rata share of the required contribution was \$91,533 that was withheld by the St. Charles 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 following list presents the retirement systems that were funded by \$91,533 of the Council's property tax revenues this year:

Assessor's retirement fund	\$ 8,743
Clerks' of Court Retirement & Relief Fund	8,237
District Attorney's Retirement System	6,590
Municipal Employee's Retirement System	8,238
Parochial Employees' Retirement System	8,238
Registrar of Voters Employees' Retirement	2,059
Sheriff's Pension & Relief Fund	16,476
Teachers' Retirement System	<u>32,952</u>
	<u>\$ 91,533</u>

**Note 12 - Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

### **Note 13 - Income Tax Status**

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

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

### **Note 14 - Lease and Rental Commitments**

#### **Lease #1**

During the year the Council leased two facilities from the St. Charles Parish School Board (the Lessor) that consisted of administrative offices and a staging area for home-delivered meals located at 626 Pine Street, Hahnville, Louisiana. The lease was on a month-to-month basis and required monthly payments of \$2,199. The Council only rented these facilities for two months in FY 2022 because Hurricane Ida passed through St. Charles Parish on August 29, 2021 and damaged the facilities rendering them unusable. As a result, rent expense for the fiscal year was only \$4,398. During the time the Council leased the facilities it was responsible for cleaning the facilities and making all repairs to them except for repairs to the roof and building shell. The Lessor was responsible for the utility bills and the insurance covering the facilities.

#### **Lease #2**

The Council signed a 60-month lease agreement with Xerox on February 20, 2017 that requires the Council to pay \$348.31 per month plus additional monthly fees for each print starting March 1, 2017. However, as mentioned above, Hurricane Ida caused damage to the Council's main office and also the copy machine that was being leased. As a result, the Council paid two months of the lease (\$696) plus *bought out* the remainder of the lease (\$4,918) using insurance proceeds. In addition, the Council had to pay \$835 for usage charges relating to this copy machine. The two months of copy machine lease costs, including the monthly usage charges, were allocated to the various programs as an indirect expense. The contract buy-out was absorbed as an expense of the General Fund because the expense did not benefit any of the programs.

**Note 15 - Judgments, Claims, and Similar Contingencies**

As of the end of this fiscal year, the Council's management has no knowledge of any pending litigation, lawsuits, or claims against the Council except for one claim. That claim stems from a class action lawsuit against the Timberman Self-Insurance Fund in which the Council was a class member. As a result, the Council's management has been advised that the Council's share of the class action settlement will approximate \$2,889. Accordingly, the Council has accrued a liability for the estimated amount of this settlement. The Council's management believes that any other unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any adverse impact upon the Council's financial statements.

**Note 16 - Contingencies - Grant Programs**

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, funds received during the year and the collectability of any related receivable at year-end may be impaired. In management's opinion, there are not any contingent liabilities relating to 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 17 - Risk Management**

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

The Council's management has not purchased commercial insurance or made provisions to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods and earthquakes, or virus pandemics. The Council offers health insurance to all employees who work at least thirty (30) hours per week. The Council paid 65% of the total amount of the health insurance for each employee who elected to participate in the health insurance benefit. The Council's portion (cost) for its portion of the health insurance this year was \$34,236, whereas last year it was \$30,527.

**Note 18 - Deferred Compensation Plan**

The Council and its qualified employees participate in the Louisiana Deferred Compensation Plan (the Plan), which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. Empower Retirement, LLC administers the plan. The Plan is available to all Council employees. Participation is not mandatory. The plan permits participating employees to defer up to the lesser of (1) 100% of their taxable compensation or (2) \$19,500 (\$26,000 if over 50 years of age) per year. In addition, the Council will *match* 15% of the amount the participant defers. All amounts contributed to the plan by the employees and the Council are non- forfeitable thereby making them 100% vested by the employees. During the year, \$20,870 was contributed to the Plan via employee salary deferrals. The Council contributed \$3,131 as its matching share. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. The Council does not guarantee the benefits of any amounts contributed to the Plan.

**Note 19 - Economic Dependency**

The Council receives the majority of its revenue from grants administered through the Governor's Office of Elderly Affairs (GOEA) and property taxes from St. Charles Parish. The grant amounts are appropriated each year by the federal and state governments. The St. Charles Parish Assessor assesses the property taxes each year. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Also, if the property in St. Charles Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount the Council receives annually from the property tax could be affected adversely. Management is not aware of any actions or events that will adversely affect the amount of funds the Council will receive next year relating to amounts it usually receives from GOEA or the property tax.

**Note 20 - COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the 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, program services and operations have not returned to pre-Pandemic levels. In addition, because the virus has not been fully controlled, the future impact to the Council is unknown.

**Note 21 - Interfund Receivables and Payables**

Because the Council operates most of its programs under cost reimbursement type grants, some programs have 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. When interfund loans are present, they are eliminated as a part of the consolidation process in preparing the Government-wide Financial Statements. At year-end, the Council did not have any outstanding interfund receivables or payables.

**Note 22 - Related Party Transactions**

There were no related party transactions during the year.

**Note 23 - Purchase Commitments**

The Council has no significant purchase commitments at year-end.

**Note 24 - Interfund Transfers**

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

	<b>Operating Transfers</b>	
	<b>In From</b>	<b>Out To</b>
<b>General Fund:</b>		
Title III B Fund	\$ 0	\$ 509,962
Title III C-1 Fund	0	45,363
Title III C-2 Fund	0	521,919
Title III D Fund	0	4,909
Nonmajor Funds: Title III E Fund	0	538
Total General Fund	<u>0</u>	<u>1,082,691</u>
<b>Title III B Fund:</b>		
General Fund - Local funds	409,962	0
General Fund - PCOA grant	100,000	0
Total Title III B Fund	<u>509,962</u>	<u>0</u>
<b>Title III C-1 Fund:</b>		
General Fund - Local funds	34,450	0
General Fund - Supp. Senior Center grants	10,913	0
Special Revenue Fund - Senior Center Fund	21,540	0
Total Title III C-1 Fund	<u>66,903</u>	<u>0</u>
<b>Title III C-2 Fund:</b>		
General Fund - Local funds	521,919	0
Total Title III C-2 Fund	<u>521,919</u>	<u>0</u>
<b>Nonmajor Fund in the Aggregate:</b>		
Major Funds		
General Fund - Local funds	5,447	0
Title III C-1 Fund from Senior Center	0	21,540
Total Nonmajor Funds in the Aggregate	<u>5,447</u>	<u>21,540</u>
<b>Total Transfers</b>	<u><u>\$ 1,104,231</u></u>	<u><u>\$ 1,104,231</u></u>

Transfers are used to (1) 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 (2) 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 25 - Hurricane Ida Damages and Impact**

On August 29, 2021 Hurricane Ida passed through St. Charles Parish, Louisiana, and adversely impacted the operations of the Council. The Council suffered major damages to its Hahnville facility (see Note 14) which caused the Council to have to abandon its lease on this facility and relocate to New Sarpy. As a result, leasehold improvements with an undepreciated new book value of \$33,560 had to be written-off as a loss. The Council also suffered additional operating losses of \$85,775, which consisted of: (1) personnel costs to pay employees for five days of missed wages (\$49,666), (2) fringe benefits and payroll taxes associated with the wages (\$7,467), (3) cost to buy-out the remaining term on a copy machine lease (\$4,918), and (4) damages to several vehicles (\$23,724). These losses have been separately presented as components of General Revenues (Losses) on the Statement of Activities (Exhibit B) and as current operating costs of the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit D).

The Council had insurance coverage to compensate for damages to the vehicles, copy machine, office contents, and data preparation. As a result, it received \$138,660 of insurance proceeds, which is has separately presented within Exhibits B and D. The Council did not have insurance coverage to pay for the losses relating to the leasehold improvements that were left behind when it had to relocate or the costs to compensate employees for work days they missed due to the Council not being able to operate.

## **Note 26 - Subsequent Events**

Management has evaluated subsequent events through December 14, 2022, which is the date the financial statements were available to be issued. There were no events that required disclosure.

**REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION BY GASB 34**

**Budgetary Comparison Schedule - General Fund**

**St. Charles Council on Aging, Inc.**

**Destrehan, Louisiana**

**For the year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Property Taxes	\$ 2,924,812	\$ 2,760,402	\$ 2,746,340	\$ (14,062)
Intergovernmental:				
GOEA - PCOA grant	100,000	100,000	100,000	0
GOEA - AAA primary grant	19,221	19,221	19,221	0
GOEA - ARP grant	0	7,640	7,003	(637)
GOEA - MIPPA	3,250	1,550	1,200	(350)
GOEA - Supplemental Senior Center grant 1	3,100	3,100	3,100	0
GOEA - Supplemental Senior Center grant 2	7,813	7,813	7,813	0
GOEA - Vaccine Outreach grant	0	0	5,434	5,434
Public Support:				
Restricted - United Way for transportation	22,500	20,000	16,667	(3,333)
Restricted - United Way for meals under 60	9,500	7,520	6,266	(1,254)
Unrestricted - general public & grants	1,000	1,000	3,269	2,269
Interest Income	3,210	2,345	10,792	8,447
Miscellaneous	9,650	10,578	14,128	3,550
<b>Total Revenues</b>	<b>3,104,056</b>	<b>2,941,169</b>	<b>2,941,233</b>	<b>64</b>
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	129,396	120,887	147,986	(27,099)
Fringe	20,089	16,714	18,287	(1,573)
Travel	79	94	96	(2)
Operating Services	36,772	37,180	70,753	(33,573)
Operating Supplies	9,200	7,076	11,604	(4,528)
Other Costs	24,300	12,873	16,398	(3,525)
Meals -nonelderly (under 60)	8,629	8,628	9,291	(663)
Full Service Contracts	0	0	0	0
Capital Outlay	953,000	289,546	295,575	(6,029)
Intergovernmental	100,411	94,949	92,223	2,726
<b>Total Expenditures</b>	<b>1,281,876</b>	<b>587,947</b>	<b>662,213</b>	<b>(74,266)</b>
Excess of revenues over expenditures	1,822,180	2,353,222	2,279,020	(74,202)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(1,642,662)	(1,140,048)	(1,082,691)	57,357
Transfers in	0	0	0	0
Proceeds from insurance caused by Hurrican Ida damages	0	138,660	138,660	0
<b>Total other financing sources (uses)</b>	<b>(1,642,662)</b>	<b>(1,001,388)</b>	<b>(944,031)</b>	<b>57,357</b>
<b>Net increase (decrease) in fund balance</b>	<b>\$ 179,518</b>	<b>\$ 1,351,834</b>	<b>1,334,989</b>	<b>\$ (16,845)</b>
<b><u>FUND BALANCE</u></b>				
Beginning of year			3,514,654	
End of year			\$ 4,849,643	

See notes to required supplementary information.

**Budgetary Comparison Schedule - Title III B Fund**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
For the year ended June 30, 2022**

	<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>
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 56,655	\$ 62,089	\$ 56,655	\$ (5,434)
ARP grant	0	20,632	18,913	(1,719)
Public Support (Restricted):				
Client contributions	812	812	148	(664)
Greater New Orleans Foundation	0	12,500	12,500	12,500
Total Revenues	<u>57,467</u>	<u>96,033</u>	<u>88,216</u>	<u>4,683</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	341,299	310,450	232,333	78,117
Fringe	52,988	42,923	37,003	5,920
Travel	599	363	339	24
Operating Services	110,831	120,127	104,503	15,624
Operating Supplies	48,813	38,311	38,549	(238)
Other Costs	7,334	7,415	6,236	1,179
Full Service Contracts	359,235	173,231	179,215	(5,984)
Total Expenditures	<u>921,099</u>	<u>692,820</u>	<u>598,178</u>	<u>94,642</u>
Excess of expenditures over revenues	<u>(863,632)</u>	<u>(596,787)</u>	<u>(509,962)</u>	<u>99,325</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	863,632	596,787	509,962	(86,825)
Transfers out	0	0	0	0
Total other financing sources (uses)	<u>863,632</u>	<u>596,787</u>	<u>509,962</u>	<u>(86,825)</u>
Net increase (decrease) in fund balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>	<u>\$ 12,500</u>
<b><u>FUND BALANCE</u></b>				
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**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
For the year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final (Amended)	Modified Accrual Basis	Favorable (Unfavorable)
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 42,649	\$ 42,649	\$ 42,649	\$ 0
ARP grant	0	8,241	7,554	(687)
Public Support (Restricted) - Client Contributions	5,681	790	702	(88)
Total Revenues	48,330	51,680	50,905	(775)
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	51,883	48,281	67,052	(18,771)
Fringe	8,055	6,675	7,195	(520)
Travel	17	22	38	(16)
Operating Services	11,387	9,577	15,037	(5,460)
Operating Supplies	2,488	1,872	1,678	194
Other Costs	2,388	1,502	1,405	97
Meals	49,280	33,597	25,403	8,194
Total Expenditures	125,498	101,526	117,808	(16,282)
Excess of expenditures over revenues	(77,168)	(49,846)	(66,903)	(17,057)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	77,168	0	66,903	66,903
Transfers out	0	49,846	0	(49,846)
Total other financing sources (uses)	77,168	49,846	66,903	17,057
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b><u>FUND BALANCE</u></b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

**Budgetary Comparison Schedule - Title III C-2 Fund**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
For the year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final (Amended)</u>	<u>Modified Accrual Basis</u>	<u>Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	\$ 57,860	\$ 57,860	\$ 57,860	\$ 0
ARP grant	0	20,207	18,523	(1,684)
NSIP grant	58,425	64,139	64,139	0
Cares Act Grant - HDC5	0	0	18,258	18,258
Public Support (Restricted):				
Client contributions	24,608	26,466	29,027	2,561
Greater New Orleans Foundation	0	12,500	12,500	0
Total Revenues	140,893	181,172	200,307	19,135
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	258,543	212,171	241,937	(29,766)
Fringe	40,140	29,335	28,013	1,322
Travel	103	128	176	(48)
Operating Services	117,079	111,328	120,742	(9,414)
Operating Supplies	29,990	25,713	24,320	1,393
Other Costs	9,580	8,186	7,471	715
Meals	359,611	311,794	300,351	11,443
Subcontracts	0	0	376	(376)
Total Expenditures	815,046	698,655	723,386	(24,731)
Excess of expenditures over revenues	(674,153)	(517,483)	(523,079)	(5,596)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Proceeds from Insurance	0	0	1,160	1,160
Transfers in	674,153	517,483	521,919	4,436
Total other financing sources (uses)	674,153	517,483	523,079	5,596
Net increase (decrease) in fund balance	\$ 0	\$ 0	0	\$ 0
<b><u>FUND BALANCE</u></b>				
Beginning of year			0	
End of year			\$ 0	

See notes to required supplementary information.

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**  
**For the Year Ended June 30, 2022**

**Note 1 - Budgetary Reporting**

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

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

- The Governor's Office of Elderly Affairs (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.
- The Council's Executive Director and Finance Administrator prepare a proposed budget based on the revenue and expenditure projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors generally reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year. The original FY 2022 budget was approved at a board meeting on May 20, 2021.

- The adopted budget is forwarded to GOEA for final 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 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 April 21, 2022, 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 GOEA for changes relating to 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 legally exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities may not be budgeted, particularly if they are deemed to be immaterial by management.

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

Management originally budgeted an operating surplus of \$179,518 in the Council's General Fund. However, as the year progressed and actual data became available, management amended the budget to forecast an operating surplus of \$1,351,834.

**SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS**

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

**St. Charles Council on Aging, Inc.**

**Destrehan, Louisiana**

**For the year ended June 30, 2022**

	<u>Title III D Fund</u>	<u>Title III E Fund</u>	<u>Senior Center Fund</u>	<u>Totals</u>
<b><u>REVENUES</u></b>				
Intergovernmental:				
GOEA - Primary grant	\$ 3,873	\$ 20,512	\$ 49,802	\$ 74,187
GOEA - ARP grant	2,330	4,264	0	6,594
Total revenues	<u>6,203</u>	<u>24,776</u>	<u>49,802</u>	<u>80,781</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Personnel	0	879	0	879
Fringe	0	173	0	173
Travel	0	1	0	1
Operating Services	0	210	23,479	23,689
Operating Supplies	0	23	4,783	4,806
Other Costs	0	16	0	16
Full Service Contracts	11,112	24,012	0	35,124
Meals	0	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>11,112</u>	<u>25,314</u>	<u>28,262</u>	<u>64,688</u>
Excess of revenues over (under) expenditures	<u>(4,909)</u>	<u>(538)</u>	<u>21,540</u>	<u>16,093</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	4,909	538	0	5,447
Operating transfers out	<u>0</u>	<u>0</u>	<u>(21,540)</u>	<u>(21,540)</u>
Total other financing sources (uses)	<u>4,909</u>	<u>538</u>	<u>(21,540)</u>	<u>(16,093)</u>
Net increase (decrease) in fund balances	0	0	0	0
<b><u>FUND BALANCE (DEFICIT)</u></b>				
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**

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana  
For the year ended June 30, 2022**

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
<b><u>Capital Assets</u></b>				
Land	\$ 732,710	\$ 0	\$ 0	\$ 732,710
Vehicles	551,216	0	0	551,216
Equipment	45,428	15,995	(16,470)	44,953
Leasehold Improvements	641,055	0	(51,112)	589,943
Construction in-process on new bulding	0	279,580	0	279,580
Total capital assets	<u>\$ 1,970,409</u>	<u>\$ 295,575</u>	<u>\$ (67,582)</u>	<u>\$ 2,198,402</u>
 <b><u>Investment in Capital Assets</u></b>				
Property acquired with funds from:				
FTA	\$ 255,356	\$ 0	\$ 0	\$ 255,356
General Fund (Local money)	1,622,733	295,575	(65,728)	1,852,580
Noncash donation by seller of land	42,720	0	0	42,720
PCOA - regular grants	6,286	0	(1,854)	4,432
PCOA - Act 55 grant	42,188	0	0	42,188
Senior Center	1,126	0	0	1,126
Total investment in capital assets	<u>\$ 1,970,409</u>	<u>\$ 295,575</u>	<u>\$ (67,582)</u>	<u>\$ 2,198,402</u>

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW**

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

**St. Charles Council on Aging, Inc.  
Destrehan, Louisiana**

**For the year ended June 30, 2022**

**Executive Director's (Agency Head) Name: April Keller**

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 79,640.80
Benefits-insurance (health and life)	8,068.54
Benefits-retirement - deferred compensation match	2,430.00
Benefits-other (describe) - FICA & LUTA	5,995.01
Benefits-other (describe) - worker's compensation	2,062.33
Reimbursements for using personal car for Council business	131.61
Travel to conferences	-
Registration fees	300.00
<b>Total</b>	<b>\$ 98,628.29</b>



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

To the Board of Directors  
St. Charles Council on Aging, Inc.  
Destrehan, 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 St. Charles Council on Aging, Destrehan, Louisiana, (the Council) as of and for the year ended June 30, 2022, 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 14, 2022.

**Report on 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.

### **Report on 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.



T. S. Kearns & Co., CPA  
Thibodaux, Louisiana  
December 14, 2022

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**  
**For the Year Ended June 30, 2022**

### 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

**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**  
**For the year ended June 30, 2022**

### **Financial Statement Findings**

The auditor did not report any financial statement findings in his audit of the Council's FY 2021 financial statements last year. Therefore, management has nothing to report in this section.

### **Major Federal Award Program Findings and Questioned Costs**

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

### **Management Letter**

None was issued last year.

## MANAGEMENT'S CORRECTIVE ACTION PLAN

**St. Charles Council on Aging, Inc.**

**Destrehan, Louisiana**

**For the Year Ended June 30, 2022**

### **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, 2022.

The auditor did not report any findings relating to the financial statements or federal awards. Accordingly, there was not any need for management to have a corrective action plan this year in response to findings or other matters.

If you have any questions regarding this corrective action plan, please call the Council's Executive Director, April Keller, at (985) 783-6683.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS'  
STATEWIDE AGREED-UPON PROCEDURES

**St. Charles Council on Aging, Inc.**  
**Destrehan, Louisiana**

**For the Fiscal Period July 1, 2021 through June 30, 2022**



**T.S. KEARNS & CO.**  


(A Professional Corporation)  
164 West Main Street, Thibodaux, LA 70301  
South end of Canal Boulevard  
(985) 447-8507 Fax (985) 447-4833  
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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING THE LOUISIANA LEGISLATIVE AUDITORS' STATEWIDE  
AGREED-UPON PROCEDURES

To:  
The Board of Directors  
St. Charles Council on Aging, Inc.  
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021, through June 30, 2022. St. Charles Council on Aging, Inc. management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

***Findings:***

*Obtained and inspected the Council's written policies and procedures.*

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

***Findings:***

*The policy does address this function including preparing, adopting, monitoring, and amending the budget.*

- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

Findings:

*The policy does address this function including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.*

- c) **Disbursements**, including processing, reviewing, and approving.

Findings:

*The policy does address this function including processing, reviewing, and approving.*

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Findings:

*The policy does address this function including receiving, recording, and preparing deposits. Also, policies and procedures do include management's actions to determine the completeness of all collections for each type of revenue.*

- e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.

Findings:

*The policy does address this function including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employees' rate of pay or approval and maintenance of pay rate schedules.*

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

Findings:

*The policy does address this function including (1) types of services requiring written contracts, (2) legal review, (3) approval process, and (4) monitoring process. The policy does not specifically address standard terms and conditions because this is not applicable.*

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

Findings:

*The policy does address this function including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.*

- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

Findings:

*The policy does address this function by reference to the Louisiana Travel Guide and the Council's Employee Handbook including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.*

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Findings:

*The policy does address this function including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the Council's ethic policy.*

- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Findings:

*The policy does not address Debt Service because it is not applicable.*

- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings:

*The policy does address (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.*

- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Findings:

*The policy does address (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.*

## ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

*Findings:*

*The managing board met with a quorum on a frequency in accordance with the board's enabling legislation which is approximately every month.*

- - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

*Findings:*

*The minutes referenced the financial report; which includes the monthly budget-to-actual comparison on the General Fund and all additional major funds. There are no proprietary funds or special revenue funds.*

- - 
    - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*Findings:*

*The budget-to-actual comparisons did not reflect a deficit.*

## ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

*Findings:*

*Obtained a listing of Council's bank accounts. Bank reconciliations were prepared for all bank accounts.*

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

Findings:

*Bank reconciliations include evidence that they were prepared within 2 months of the closing date.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Findings:

*Bank reconciliations include evidence that a member of management who does not handle cash, post ledgers, or issue checks have reviewed each bank reconciliation.*

- c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings:

*Not applicable. There were no outstanding items for more than 12 months.*

**Collections (excluding electronic funds transfers)**

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Findings:

*Obtained a listing of the Council's collection locations.*

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

Findings:

*Obtained and inspected written policies and procedures. Observed that job duties are properly segregated at each collection location.*

- a) Employees responsible for cash collections do not share cash drawers/registers.

Findings:

*Not applicable. Cash drawers/registers are not used.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.

Findings:

*Employee responsible for collecting cash is responsible for preparing/making bank deposits. The employee responsible for making bank deposits is also not responsible for reconciling collection documentation to the deposits.*

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Findings:

*Employees responsible for collecting cash are not responsible for posting collection entries to the general ledger or subsidiary ledgers.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Findings:

*The employee reconciling cash collections to the general ledger is not responsible for collecting cash. Management also verifies the reconciliation, who is not responsible for collecting cash nor reconciling to the general ledger.*

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

Findings:

*All employees are covered by insurance policy for theft.*

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

- a) Observe that receipts are sequentially pre-numbered.

Findings:

*Not applicable. Receipts are not used since all cash collections are voluntary and are required to remain anonymous.*

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Findings:

*No exceptions.*

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Findings:

*No exceptions.*

- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

Findings:  
*No exceptions.*

- e) Trace the actual deposit per the bank statement to the general ledger.

Findings:  
*No exceptions.*

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

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8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Findings:  
*Obtained a listing of the Council's locations responsible for processing payments.*

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Findings:  
*Obtained a listing of those employees involved in non-payroll purchasing and payment functions. Obtained written policies and procedures relating to employee job duties. Observed that job duties are properly segregated.*

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Findings:  
*At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.*

- b) At least two employees are involved in processing and approving payments to vendors.

Findings:  
*At least two employees are involved in processing and approving payments to vendors.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Findings:  
*The employee responsible for processing payments, can add/modify vendor files. However, a member of management is responsible for reviewing payments, signed checks, and changes to vendor files monthly.*

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

Findings:

*Signed checks are mailed by an employee not responsible for processing payments or signing checks.*

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:

Findings:

*Obtained supporting documentation for each transaction selected.*

- a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.

Findings:

*Observed all disbursements matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice received by the entity.*

- b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings:

*Observed all disbursement documentation included evidence of segregation of duties tested under #9.*

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

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8. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Findings:

*Obtained from management a listing of the Council's active credit cards, bank debt cards, fuel cards, and P-cards, including card numbers and the names of the persons who maintained possession of the cards.*

9. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

Findings:

*Reviewed statements for each card (Chase, Walmart, Office Depot, and Fuelman). Each statement tested had supporting documentation which was reviewed and approved, in writing, by the Financial Accountant and Executive Director.*

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Findings:

*No exceptions.*

10. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Findings:

*No exceptions.*

**Travel and Travel-Related Expense Reimbursements (excluding card transactions)**

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11. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Findings:

*Obtained the general ledger and sorted/filtered for travel reimbursements, by person.*

- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

Findings:

*No exceptions.*

- b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Findings:

*No exceptions.*

- c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

Findings:

*No exceptions.*

- d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Findings:

*No exceptions.*

***Contracts***

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12. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

Findings:

*Obtained and used the active vendor list as an alternative source; additionally, obtained the general ledger to determine contract payment amounts.*

- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Findings:

*No exceptions.*

- b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).

Findings:

*No exceptions.*

- c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).

Findings:

*No exceptions.*

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Findings:

*No exceptions.*

***Payroll and Personnel***

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13. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or

officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Findings:

*Obtained a list of employees employed during the fiscal period and management's representation that the listing is complete.*

14. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)

Findings:

*No exceptions*

b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.

Findings:

*No exceptions.*

c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Findings:

*No exceptions.*

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Findings:

*No exceptions.*

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

Findings:

*No exceptions.*

16. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Findings:  
*No exceptions.*

### ***Ethics***

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17. Using the 5 randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Findings:  
*No exceptions.*

- b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity’s ethics policy during the fiscal period, as applicable.

Findings:  
*Not applicable.*

### ***Debt Service***

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

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

Findings:  
*Section not applicable. No debt service.*

### ***Fraud Notice***

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

Findings:  
*No reports of misappropriation of public funds.*

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

Findings:  
*No exceptions.*

### ***Information Technology Disaster Recovery/Business Continuity***

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22. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

Findings:  
*We performed the procedure and discussed the results with management.*

- b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

Findings:  
*We performed the procedure and discussed the results with management.*

- c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Findings:  
*We performed the procedure and discussed the results with management.*

### ***Sexual Harassment***

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

Findings:  
*No exceptions.*

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

Findings:  
*No exceptions.*

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

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

Findings:

*Council has completed the report with all appropriate information. However, the report was completed late. Management will now put necessary procedures in place to have reports completed in a timely manner. Management reported no harassment complaints as of the report date.*

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

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

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.



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December 14, 2022