

ST. JOHN COUNCIL ON AGING, INC.

FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2019



TWRU

*CPAs & Financial Advisors*

## TABLE OF CONTENTS

<b>INDEPENDENT AUDITORS' REPORT</b> .....	1-3
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b> .....	4-7
<b>BASIC FINANCIAL STATEMENTS</b>	
<b>GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)</b>	
Statement of Net Position .....	8
Statement of Activities.....	9
<b>FUND FINANCIAL STATEMENTS (FFS)</b>	
Balance Sheet and Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities .....	10
Statement of Revenues, Expenditures and Changes in Fund Balance.....	11
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balance Governmental Funds to the Statement of Activities.....	12
Notes to Financial Statements.....	13-34
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Supplementary Information Required by GASB Statement No. 34:	
Budgetary Comparison Schedule – General Fund.....	35
Budgetary Comparison Schedule – Title III B Fund .....	36
Budgetary Comparison Schedule – Title III C-1 Fund .....	37
Budgetary Comparison Schedule – Title III C-2 Fund .....	38
Supplementary Financial Information Required by GOEA:	
Schedule of Non-Major Funds.....	39
Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets .....	40
Other Supplementary Information:	
Schedule of Compensation, Reimbursement, Benefits, and Other Payments To Agency Head, Political Subdivision Head, or Chief Executive Officer.....	41
<b>COMPLIANCE AND INTERNAL CONTROL</b>	
<b>INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i></b> .....	
	42-43
Schedule of Findings and Questioned Costs .....	44
Summary Schedule of Prior Year Findings.....	45



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
St. John Council on Aging, Inc.  
Reserve, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. John Council on Aging, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John Council on Aging, Inc. as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-7 and 35-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. John Council on Aging, Inc.'s basic financial statements. The schedule of non-major funds and comparative schedule of general fixed assets and changes in general fixed assets on pages 39-40 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of non-major funds and comparative schedule of general fixed assets and changes in general fixed assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Compensation, Reimbursements, Benefits, and Other Payments to Agency Head, Political Subdivision Head, or Chief Executive Officer on page 41 is required by Louisiana Revised Statute 24:513(A)(3) and is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 1, 2020, on our consideration of St. John Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. John Council on Aging, Inc.'s internal control over financial reporting and compliance.

TWRU

CPAs & Financial Advisors  
Baton Rouge, Louisiana  
January 1, 2020

## MANAGEMENTS DISCUSSION AND ANALYSIS

### St. John Parish Council on Aging

The "Management's Discussion and Analysis" of the St. John Parish Council On Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2019. This report highlights the current year's activities, resulting changes, and relevant facts. Please read this report in conjunction with basic financial statements, which follow this section.

#### **FINANCIAL HIGHLIGHTS** (see statements on pages 8 through 11)

The Council's assets exceeded its liabilities at the close of fiscal year 2018 by \$347,896 (Net Position), which represents a 19% increase from last year.

Cash was \$220,767 at June 30, 2019 compared to \$317,919 at June 30, 2019. This is a decrease of \$97,152 due to an increase in capital outlay and meal costs and a delay in receipt of some tax revenues.

The Council's revenue increased by \$182,523 or 25% primarily due to increases in DOTD grants and tax revenues.

The Council's expenses increased by \$42,011 or 5 %.

Capital assets increased by a net \$149,537. The increase was due to the purchase of two new coaches.

The Council did not have any funds with deficit fund balances.

Net position at year-end for the Council was \$347,896 (Page 9).

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an overview to the Council's basic financial statements. The Council's annual report consists of five parts; (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, (4) the optional section that presents combining statements for non-major governmental funds and other schedules by certified public accounts and managements, and (5) report on compliance and internal controls.

The basic financial statements include two kinds of statements that present different views of the Council:

#### **Government-wide Financial Statements**

The Government-wide financial statements (see pages 8 and 9) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the Council's assets and liabilities, with the difference between the two reports as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The statement of activities presents information showing how the Council's net position change during each fiscal year (revenues less expenditures). All changes in net position are reported as soon as the financial transaction occurs regardless of the timing of the related cash flows. Thus, revenue and expenditures are reported in this statement this fiscal year even though the resulting cash flow is in future fiscal years. The governmental activity of the Council is health and welfare, which is comprised of various programs that include supportive services, nutritional services, utility assistance, disease prevention and caregiver support.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current year inflows and outflows of cash, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to help with comparisons between governmental funds and governmental activities (Pages 10 - 12).

The Council has presented the General Fund, Title III-B, Title III-C-1 and Title III C-2 as major funds. All non-major governmental funds are presented in one column, titled "Non-Major Funds". Combining financial statements of the non-major funds can be found in the schedule of non-major special revenue funds that follow the basic financial statements (Page 39).

### **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 of the financial statements can be found on Pages 13-34 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also represents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (Pages 35-38).

In addition to these required elements, the Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements and provide details of our non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Pages 39-40).

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position serves as a useful indicator of the Council's financial position. As of June 30, 2019, assets exceeded liabilities by \$347,896. Cash has decreased due to capital outlay and an increase in tax revenues receivable but the Council feels it has a stable cash position.

**CAPITAL ASSETS**

The Council's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$8,395 (net of accumulated depreciation). This investment in capital assets includes office furniture, fixtures, vehicles, machinery, and equipment (see table below):

<u>Capital Assets Being Depreciated</u>	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Decreases</u>	<u>Balance June 30, 2019</u>
Vehicles	\$ 138,498	\$ 161,490	\$ -	\$ 299,988
Equipment	32,159	-	-	32,159
Leasehold improvements	<u>18,621</u>	<u>-</u>	<u>-</u>	<u>18,621</u>
Total Capital Assets	<u>189,278</u>	<u>161,490</u>	<u>-</u>	<u>350,768</u>
Less Accumulated Depreciation:				
Vehicles	138,498	8,075	-	146,573
Equipment	26,259	3,135	-	29,394
Leasehold improvements	<u>16,126</u>	<u>743</u>	<u>-</u>	<u>16,869</u>
Total Accumulated Depreciation	<u>180,883</u>	<u>11,953</u>	<u>-</u>	<u>192,836</u>
Capital Assets Net of Depreciation	<u>\$ 8,395</u>	<u>\$ 149,537</u>	<u>\$ -</u>	<u>\$ 157,932</u>

Additional information on the Council's capital assets can be found on Pages 29-30.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Council receives most of its funding from federal and state agencies and local taxes. Because of this, the source of income for the Council is consistent. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, those revenues are not fixed. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for the fiscal year 2019-2020. There are no plans to add any significant programs for next fiscal year.

The Executive Director and Board of Directors consider the following factors and indicators when setting next year's budget, rates and fees. The factors and indicators include:

- Actual expenditures from previous fiscal years in relation to expected needs in the current year
- Consideration of funding to be received from GOEA
- Interest revenues have been budgeted with no anticipation of an increase in interest rates
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits
- Travel rates in accordance with state travel regulations
- Services the Council will provide along with estimated service cost
- Estimate operating supplies needed to perform necessary services
- Detail plan of equipment needed to be purchased
- Vehicle insurance based on quotes and contracts

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Council's finances for all concerned.

Questions concerning any of the information provided in this report or request for additional information should be addressed to:

Board of Directors  
St. John Council on Aging, Inc.  
P.O. Drawer 512  
Reserve, LA 70084  
Phone: (985) 479-0272  
Cheryl A. Parquet, Executive Director

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

## ST. JOHN COUNCIL ON AGING, INC.

## GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 220,767
Accounts Receivable	27,000
Other Receivable	3,000
Prepaid Expenses	5,782
Total current assets	<u>256,549</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>157,932</u>
Total noncurrent assets	<u>157,932</u>
Total assets	<u>414,481</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	37,282
Accrued payroll and related benefits payable	2,303
Total current liabilities	<u>39,585</u>
Total liabilities (all current)	<u>39,585</u>
<b>NET POSITION</b>	
Net invested in capital assets	157,932
Unrestricted	216,964
Total net position	<u>\$ 374,896</u>

See accompanying notes to the financial statements.



## ST. JOHN COUNCIL ON AGING, INC.

## GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2019

Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net (Expense) Revenues and Increases (Decreases) in Net Position
				Operating Grants and Contributions	Capital Grants & Contributions	
<b>Government Activities:</b>						
<b>Health, Welfare &amp; Social Services:</b>						
Supportive Services:						
Information & Assistance	\$ 11,861	\$ 4,323	\$ -	\$ -	\$ -	\$ (16,184)
Legal Assistance	2,388	-	-	-	-	(2,388)
Outreach	21,984	8,016	-	-	-	(30,000)
Transportation	155,801	56,784	197	53,934	174,689	16,235
Medical Alerts	1,078	393	-	-	-	(1,471)
Recreation	25,018	9,118	-	-	-	(34,136)
Sitter Service	8,645	3,151	-	-	-	(11,796)
Nutrition Services:						
Congregate Meals	64,864	23,641	6,100	48,417	-	(33,988)
Home Delivered Meals	186,799	68,082	1,520	75,149	-	(178,212)
Nutrition Education	-	-	-	-	-	-
Disease Prevention	3,720	1,356	-	4,023	-	(1,053)
National Care Giver Support	15,708	5,725	-	15,565	-	(5,868)
Senior Center Operations	122,418	-	-	46,212	-	(76,206)
<b>Administration</b>	33,539	-	-	15,852	-	(17,687)
Total governmental activities	<u>\$ 653,823</u>	<u>\$ 180,589</u>	<u>\$ 7,817</u>	<u>\$ 259,152</u>	<u>\$ 174,689</u>	<u>(392,754)</u>
General revenues:						
Grants and contributions not restricted to specific programs						57,702
Property taxes						417,000
Unrestricted investment income						123
Total general revenues and transfers						<u>474,825</u>
Increase in net position						82,071
Net position-beginning of the year						<u>292,825</u>
Net position-end of the year						<u>\$ 374,896</u>

See accompanying notes to the financial statements.



**FUND FINANCIAL STATEMENTS (FFS)**

## ST. JOHN COUNCIL ON AGING, INC.

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2019

	General Fund	Title III B	Title III C-1	Title III C-2	Non- Major Funds	Total
<b>ASSETS</b>						
Cash	\$ 220,767	\$ -	\$ -	\$ -	\$ -	\$ 220,767
Accounts Receivable	10,000	-	-	-	-	10,000
Other Receivables	3,000	-	-	-	-	3,000
Prepaid Expenses	5,782	-	-	-	-	5,782
Total Assets	<u>\$ 239,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,549</u>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$ 37,282	\$ -	\$ -	\$ -	\$ -	\$ 37,282
Accrued payroll and related benefits payable	2,303	-	-	-	-	2,303
Total Liabilities	<u>39,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,585</u>
Fund balances:						
Non Spendable	5,782	-	-	-	-	5,782
Unassigned	194,182	-	-	-	-	194,182
Total Fund Balances	<u>199,964</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,964</u>
Total Liabilities and Fund Balances	<u>\$ 239,549</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,549</u>

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

Total Fund Balances - Governmental Funds	\$ 199,964
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	157,932
Receivables that are not available to pay current period expenditures and therefore are not reported in the funds.	<u>17,000</u>
Net position of governmental activities	<u>\$ 374,896</u>

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2019

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
<b>Revenues:</b>						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 48,412	\$ 53,934	\$ 64,269	\$ 36,388	\$ 104,561	\$ 307,564
DOTD Grant	174,689	-	-	-	-	174,689
Ad Valorem Taxes	413,233	-	-	-	-	413,233
Public Support:						
Participant contributions	-	197	6,100	1,520	-	7,817
Other support	9,290	-	-	-	-	9,290
Interest Income	123	-	-	-	-	123
In-Kind Contributions	7,488	25,944	57,949	3,744	30,888	126,013
Total revenues	<u>653,235</u>	<u>80,075</u>	<u>128,318</u>	<u>41,652</u>	<u>135,449</u>	<u>1,038,729</u>
<b>Expenditures:</b>						
Health, Welfare & Social Services						
Current:						
Salaries	7,072	157,373	10,548	79,126	100,825	354,944
Fringe	1,763	30,074	2,147	12,866	10,256	57,106
Travel	370	1,912	553	17,130	930	20,895
Operating services	(1,923)	68,972	8,618	26,453	14,501	116,621
Operating supplies	6,208	39,207	1,776	5,854	2,989	56,034
Other	13,424	11,033	1,447	713	19,426	46,043
Meals	-	-	61,556	109,260	-	170,816
Intergovernmental	13,233	-	-	-	-	13,233
Capital Outlay	161,490	-	-	-	-	161,490
In-Kind Expenditures	7,488	25,944	57,949	3,744	30,888	126,013
Total expenditures	<u>209,125</u>	<u>334,515</u>	<u>144,594</u>	<u>255,146</u>	<u>179,815</u>	<u>1,123,195</u>
Excess (deficiency) of revenues over expenditures	444,110	(254,440)	(16,276)	(213,494)	(44,366)	(84,466)
<b>Other financing sources (uses):</b>						
Transfers in	-	254,440	16,276	213,494	83,127	567,337
Transfers out	(528,576)	-	-	-	(38,761)	(567,337)
Total other financing sources (uses)	<u>(528,576)</u>	<u>254,440</u>	<u>16,276</u>	<u>213,494</u>	<u>44,366</u>	<u>-</u>
Net decrease in Fund Balances	(84,466)	-	-	-	-	(84,466)
Fund balances	284,430	-	-	-	-	284,430
Fund balances, ending	<u>\$ 199,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,964</u>

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

Net change in fund balances-total governmental funds	\$ (84,466)
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*Amounts reported for governmental activities in the Statement of Activities are different because:*

Governmental funds requires receivables be available to pay current period expenditures. Amount of tax revenues received after 60 days after year end.	17,000
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$161,490) exceeded depreciation (\$11,953).	<u>149,537</u>
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<i>Changes in net position of governmental activities</i>	<u><u>\$ 82,071</u></u>
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See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of St. John 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:

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. John Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state; to provide for 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; to coordinate and monitor services of other local agencies serving the aging people of the parish; 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.

Specific services provided by the Council to the elderly residents of St. John Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, legal assistance, distribution of food commodities, individual counseling, in home respite, and transportation.

Reporting Entity

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

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

The St. John Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on April 2, 1973, and began operations on May 15, 1973, the date on which the Council's articles of incorporation were filed with the Secretary of State's office.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Based on the criteria set forth in GASB Statement 14, The Financial Reporting Entity, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

Presentation of 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 are designed to report individual major governmental funds and combined non-major 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.

Basic Financial Statements - Government-Wide Statements

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

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

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide 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. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted public support, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments. The Statements of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. 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 material special items this year.

Basic Financial Statements - Fund Financial Statements

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

The daily accounts and operations of the Council continue to be organized using funds. 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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The non-major funds are summarized by category or fund type into a single column in the fund financial statements.

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

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

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

**Local Programs and Funding** are 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 the Council's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the used and disposition of fixed assets.

**PCOA (Act 735) funds** are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2019, the Council received this grant money (\$37,500) into its General Fund and transferred PCOA funds to pay for the Title III programs to subsidize program expenditures that exceeded grant reimbursements from GOEA.

**Supplemental Senior Center Funding** is appropriated annually by the Louisiana Legislature for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. The Council received supplemental senior center funding totaling \$3,100 and \$7,812 during the year under audit from GOEA. These grant funds can be used at management's discretion as long as the program benefits elderly persons who are at least 60 years old. During the year, the management received the funds into the Council's General Fund and then transferred the funds to the Title III programs to subsidize the operating cost of those funds' program services.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**AAA Funding (Area Agency on Aging)** is used to account for funds received from the Governor's Office of Elderly Affairs that are used to subsidize the costs of administering the Council's special programs for the aging. This year GOEA granted the Council \$15,852 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the indirect administrative (indirect) type costs. As a result, the Council will consume the GOEA grant first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A significant percentage of the Council's special revenue funds are provided by the Capital Area Agency on Aging (CAAA). The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council through CAAA. GOEA also provides CAAA funds from other state grants which in turn are passed through to the Council.

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

Major Special Revenue Funds

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

<u>Type of Service</u>	<u>Units</u>
Information and Assistance	243
Outreach	57
Legal	26
Transportation for People Age 60 or Older	7,938
Recreation	1,440
Sitter Service	237
Wellness	2,030

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There were two main sources of revenue received this year that form the basis of this fund: Grants the Council received from GOEA for Special Programs for the Aging - Title III, Part B - Supportive Services (\$53,934) and restricted, voluntary contributions (\$197) from those persons actually receiving homemaker and transportation services.

**The Title III C-1 Fund** is used to account for funds that are used to provide nutritional, congregate meals to people who are age 60 or older at strategically located centers throughout St John Parish. The Council maintains meal-sites at Reserve, Edgard and Place DuBourg. The Council served 18,815 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging - Title III, Part C-1 - Nutrition Services (\$48,417) and restricted, voluntary contributions (\$6,100) from those persons actually receiving congregate meal services.

**The Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 33,736 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Program for the Aging - Title III, Part C-2 - Nutrition Services (\$36,388) and restricted, voluntary contributions (\$1,520) from those persons actually receiving home-delivered meal services.

Non-Major Special Revenue Funds

**The Title III D Fund** is used to account for funds used for wellness, which includes disease prevention and health promotion activities. During the fiscal year 441 units of wellness service were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services (\$4,023).

**The Title III E Fund** is used to account for funds used to provide services under the National Family Caregivers Support Program. The program is designed to provide multifaceted systems of support services for family caregivers targeting older, low income individuals. Specific types of services, such as; (1) adult day care, (2) adult health care, (3) material aid, (4) case management, (5) personal care, (6) counseling, (7) support groups, (8) respite care, (9) sitter service and (10) information and assistance. During the fiscal year 29 units of medical alert services, 707 units of in home respite care, 392 units of sitter care and 209 units of nutrition education were provided under the Title III E program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title W, Part E - National Family Caregivers Support Program (\$15,565).

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**The Senior Center Fund** is used to account for the administration of senior center program funds appropriated by the Louisiana Legislature for the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council to provide community service centers where elderly people can receive supportive social services and participate in activities that foster their independence, enhance their dignity, and encourage their involvement in and with the community. This year GOEA granted the Council \$46,212 of senior center funding. The Council maintains senior centers at Reserve and Edgard, Louisiana.

**The NSIP Fund (National Services Incentive Program)** is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about fifty cents for each congregate and home-delivered meal served to an eligible participant so the United States food and commodities may be purchased to supplement these programs. This year total NSIP funding was \$38,761.

**The MIPPA Fund (Medicare Improvement for Patients and Providers Act)** is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low-Income Subsidiary (LIS) and Medicare Savings Programs (MSP) programs. The goal is to provide outreach to individuals in St. John Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP. This year GOEA granted the Council \$0 of MIPPA funding.

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.

**Accrual Basis — Government-Wide Financial Statements (GWFS):**

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

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

## Modified Accrual Basis — Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 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) matured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

## 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.

Cash and Cash Equivalents:

Cash includes amounts in demand deposits, interest-bearing demand deposits, and petty cash. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Cash and cash equivalents are reported at their carrying amounts that equal their fair values.

For purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, the line item "Cash" on the Statement of Net Position is comprised of \$220,767, of which \$0 was restricted. 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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Receivables

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits. In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

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

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 (GWFS)*

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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

Vehicles	5 years
Computer Equipment	3 years
Office Equipment Other Than Computers	5 years
Leasehold Improvements	25 years

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

*Fund Financial Statements (FFS)*

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.

Non-Current (Long-term) Liabilities

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

Compensated Absences

The Council's policy for annual leave does not permit employees to accumulate earned but unused annual leave to carry into the next fiscal year except with special approval from the Board. No liability for the unpaid annual leave has been recorded in the financial statements as the amount is deemed immaterial by Management.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Council's sick leave policy does not provide for 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 absence in the financial statements relative to sick leave.

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

Deferred Revenues

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

Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the net position amount is classified and displayed in three components:

- Invested in capital assets — This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council did not have any borrowings that were related to capital assets.
- Restricted net position — This component consists of net position with 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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Unrestricted net position — This component consists of all other net position that do not meet the definition of "restricted" or "invested in capital assets."

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first to finance its activities. However, management will depart from its usual policy by using unrestricted funds in the Council's nutrition programs before consuming unspent NSW funds, which are restricted type revenues. The reason management will take this action is because certain unrestricted funds will have to be returned to GOEA if not consumed by June 30, whereas unconsumed NSIP funds are allowed by GOEA to be carried over and used in a subsequent year.

Fund Equity — Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2011, the Council's management implemented GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Council had \$0 classified as nonspendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources 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.

There were no restricted funds at June 30, 2019.

- **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 purposes 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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent 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 resources as of year-end.
- **Unassigned:** This classification is the residual fund balance of 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. The Council has classified \$194,182 of the fund balance as being unassigned.

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

Management's Use of Estimates

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

Allocation of Indirect Expenses

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

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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: REVENUE RECOGNITION

Revenues are recorded in the government-wide financial 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, and interest income must be both measurably and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

The Older American Act of 1965 Title III programs operate under a performance based contract. Title III program revenue is earned by the Council based on units of service provided within the guidelines of the related programs.

NOTE 3: AD VALOREM TAX (PROPERTY TAX)

During the fiscal year 1995, the Council began receiving funds from a property tax which was adopted by the voters of St. John the Baptist Parish to provide money to finance the Council's operations.

The parish's assessor began levying property tax on November 15, 1994, and continued to do so each year through November 15, 2003. The voters renewed the 1 mill property tax for an additional ten years in July 2014. The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st of January preceding the annual levy date (November 15th) is used as the date to value the property subject to tax.

The gross taxable value for the tax year 2018, of the certified tax roll was \$530,938,942. After applying homestead exemptions of \$85,142,016 the total value upon which the Council's property tax was computed was \$445,796,926. The Council elected to assess property owners the legal maximum of 0.99 mills for tax year 2018. Accordingly, management estimates the gross amount of property tax payable to the Council for the fiscal year to approximate \$430,000.

Property taxes are due on November 15 and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January and February. The St. John the Baptist Parish Sheriff acts as the collection agent for property taxes. The Sheriff will also have a "tax sale" in May or June of each year to try to collect as much of the taxes due as possible. Following the tax sale, the Sheriff will file tax liens to ensure collection of unpaid taxes at some future date.

Property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. As the Sheriff collects the taxes, they are forwarded to the St. John the Baptist Parish Council where they are deposited into a separate account maintained by the Parish Council for the benefit of the Council on Aging. However, the Council on aging does not recognize revenue in the fund financial statement until the Parish Council remits the property taxes to it. Under the modified accrual basis of accounting the property taxes are not "available" to the Council until the Parish releases the funds.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 3: AD VALOREM TAX (PROPERTY TAX) (CONTINUED)

Based on information available to management at the time these financial statement were prepared, management estimates \$430,233 of the property taxes due from the tax year 2018 tax assessment will be collected.

The property tax revenues reported in the fund financial statements do not include any amount that are due and remain uncollected by the Sheriff. However, property tax revenue includes amounts (\$13,233) withheld by the Sheriff to make "on behalf payment for fringe benefits" which represent the Council's pro-rata share of retirement plan contributions for other governmental units. A corresponding intergovernmental expenditure of \$13,233 has also been presented in that financial statement. For purposes of the government-wide Statement of Activities, property tax revenue of \$430,233 was reduced by the \$13,233 withheld by the Sheriff producing net property tax revenues of 417,000, which was a component of general revenues on that statement.

For the governmental funds Statement of Activities, property tax revenues of \$430,233 have been reduced by \$17,000 for tax revenues that were not received within 60 days after year end.

The following are the principal taxpayers for the parish and related ad valorem tax revenue for the Council:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Valuation</u>	<u>Ad valorem Tax Revenue</u>
Marathon Ashland LLC	Oil	\$ 176,599,668	70.48%	\$ 21,760,925
Crowley Blue Water Partners	Transportation	11,290,240	4.51%	1,406,990
Entergy Louisiana	Electrical	10,690,940	4.27%	1,336,581
Louisiana Machinery Co., Inc.	Heavy Equipment	10,210,809	4.08%	1,272,471
Nalco Chemical	Chemicals	9,501,380	3.79%	1,184,062
Arcelormittal LaPlace, LLC	Steel	8,828,387	3.52%	1,100,194
Evonik Materials Corp	Industrial	6,560,918	2.62%	817,622
Cargill, Inc.	Grain	6,000,273	2.39%	747,754
Atmos Entergy	Oil	5,448,900	2.17%	681,221
Bengal Pipeline	Oil	<u>5,423,420</u>	<u>2.17%</u>	<u>678,036</u>
Total		<u>\$ 250,554,935</u>	<u>100.00%</u>	<u>\$ 30,985,856</u>

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 4: CASH MANAGEMENT AND DEPOSITS

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

As described by Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$220,767 whereas the related bank balances totaled \$224,887. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Capital One Bank	\$ <u>220,767</u>	\$ <u>220,767</u>	n/a	n/a	n/a
Unrestricted Purpose	\$ 220,767				
Restricted Purpose:					
None	<u>          -</u>				
Total Cash	\$ <u>220,767</u>				

As illustrated in the above table, none of the Council's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 5: GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end. At June 30, 2019, there were receivables of \$0.

Other receivable represents a grant receivable from the State of Louisiana for reimbursement of a worker training program. At June 30, 2019, there were receivables of \$3,000.

NOTE 6: CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
<b>Capital Assets:</b>				
Vehicles	\$ 138,498	\$ 161,490	\$ -	\$ 299,988
Equipment & Furniture	32,159	-	-	32,159
Leasehold Improvements	<u>18,621</u>	<u>-</u>	<u>-</u>	<u>18,621</u>
Subtotal	<u>189,278</u>	<u>161,490</u>	<u>-</u>	<u>350,768</u>
<b>Accumulated Depreciation</b>				
Vehicles	138,498	8,075	-	146,573
Equipment & Furniture	26,259	3,135	-	29,394
Leasehold Improvements	<u>16,126</u>	<u>743</u>	<u>-</u>	<u>16,869</u>
Subtotal	<u>180,883</u>	<u>11,953</u>	<u>-</u>	<u>192,836</u>
Net Capital Assets	<u>\$ 8,395</u>	<u>\$ 149,537</u>	<u>\$ -</u>	<u>\$ 157,932</u>

All the Council's vehicles are operational at year-end. The Council's management has reviewed capital assets and does not believe any capital assets have been impaired as of year-end.

Depreciation was charged to governmental activities as follows:

Administration	\$ 3,521
Transportation	8,075
Nutrition Services-Congregate Meals	<u>357</u>
Total Depreciation Expense	<u>\$ 11,953</u>

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 6: CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION (CONTINUED)

The \$3,521 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses.

NOTE 7: FUND BALANCES-FUND FINANCIAL STATEMENTS

At year end, there were no special revenue funds with a remaining fund balance.

NOTE 8: IN-KIND CONTRIBUTIONS

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

The in-kind contributions that the Council received during the year consisted primarily of volunteer meal site aides, free rent and utilities. These in-kind donations totaled \$126,013.

The Levy Company, AFC has provided to the Council information as to the fair value of the facility rental. The volunteer services were valued by recording the number of hours the volunteers worked and multiplying the hours by minimum wage. A summary of the in-kind contributions and their estimated values are as follows:

Rent and Utilities	\$ 93,600
Volunteer Workers	<u>32,413</u>
Total In-Kind Expenditures	<u>\$ 126,013</u>

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

Nutrition Services—Congregate Meals	\$ 57,949
Nutrition Services—Home Delivery Meals	3,744
Supportive Services	25,944
Senior Center	29,016
Preventive Health/Wellness	936
Caregiver	936
Administrative	<u>7,488</u>
Total	<u>\$ 126,013</u>

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 9: BOARD OF DIRECTORS' COMPENSATION

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

NOTE 10: 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. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. The Council had no material unrelated business income for the fiscal year under audit.

NOTE 11: CONTINGENCIES — GRANT PROGRAMS

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

ST. JOHN COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 12: INTERFUND TRANSFERS

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

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Title III B Fund	\$ -	\$ 254,440
Title III C-1 Fund	-	16,276
Title III C-2 Fund	-	174,733
Title III D Fund	-	1,053
Title III E Fund	-	5,868
Senior Center	-	76,206
Total PCOA	<u>-</u>	<u>528,576</u>
 Title III B Fund:		
General Fund	<u>254,440</u>	<u>-</u>
 Title III C-1 Fund:		
General Fund	<u>16,276</u>	<u>-</u>
 Title III C-2 Fund:		
General Fund	174,733	-
NSIP Fund	38,761	-
Total Title III C-2 Fund	<u>213,494</u>	<u>-</u>
 Title III D Fund:		
General Fund	<u>1,053</u>	<u>-</u>
 Title III E Fund:		
General Fund	<u>5,868</u>	<u>-</u>
 Senior Center Fund:		
General Fund	<u>76,206</u>	<u>-</u>
 NSIP Fund:		
Title III C-2 Fund	<u>-</u>	<u>38,761</u>
 Total Transfers In/Out	<u>\$ 567,337</u>	<u>\$ 567,337</u>

ST. JOHN COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 12: INTERFUND TRANSFERS (CONTINUED)

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 to (2) use 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 13: INTER-FUND RECEIVABLES AND PAYABLES—FUND FINANCIAL STATEMENTS

Because the Council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. There were no interfund loans at year-end.

NOTE 14: RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

NOTE 15: RISK MANAGEMENT

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

	<u>Coverage Limits</u>
Automobile Liability	\$ 1,000,000
Uninsured Motorist	\$ 50,000
Medical Payment	\$ 5,000
Workers Compensation	\$ 2,000,000
Directors and Officers	\$ 100,000
General Liability	\$ 1,000,000
Umbrella	\$10,000,000

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God.

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.

## ST. JOHN COUNCIL ON AGING, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 16: ON-BEHALF PAYMENTS OF FRINGE BENEFITS

Because the Council is one of the several governmental agencies receiving proceeds from a property tax assessment, state law requires the Council to bear a pro-rata share of the pension expenditure relating to the public employees of St. John the Baptist Parish that participate in the Parochial Employees Retirement System. The Council's pro-rata share of the required contribution was \$13,233 which was withheld by the Parish Sheriff to satisfy the Council's obligation. The amount withheld by the Sheriff has been included as an "intergovernmental" expenditure of the General Fund in these financial statements. As described in Note 3, the Council has also increased its property tax revenue by the same amount as the intergovernmental expenditure. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

NOTE 17: ECONOMIC DEPENDENCY

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs (GOEA) and the Department of Transportation and Development. The grant amounts are appropriated each year by the federal, state and local governments. If significant budget cuts are made at the federal, state and/or local level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

NOTE 18: JUDGEMENTS, 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. Furthermore, the Council's management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 19: SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 1, 2020, the date the financial statements were available to be issued. There were no events that required disclosure.

SUPPLEMENTARY INFORMATION REQUIRED BY  
GASB STATEMENT 34



TWRU  
CPAs & Financial Advisors

## ST. JOHN COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL-GENERAL FUND  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Adjustments to Budgetary Basis	Actual Amounts Budgetary Basis	Variances with Final Budget Positive (Negative)
	Original	Final				
<b>Revenues:</b>						
Intergovernmental						
Governor's Office of Elderly Affairs	\$ 62,064	\$ 62,064	\$ 48,412	\$ -	\$ 48,412	\$ (13,652)
Ad Valorem Taxes	422,254	422,254	413,233	-	413,233	(9,021)
DOTD Grant	35,000	35,000	174,689	(139,689)	35,000	-
Other Support	36,844	36,844	9,290	-	9,290	(27,554)
Interest Income	25	25	123	-	123	98
Total revenues	<u>556,187</u>	<u>556,187</u>	<u>645,747</u>	<u>(139,689)</u>	<u>506,058</u>	<u>(50,129)</u>
<b>Expenditures:</b>						
Current:						
Salaries	7,760	7,760	7,072	-	7,072	(688)
Fringe	1,916	1,916	1,763	-	1,763	(153)
Travel	494	494	370	-	370	(124)
Operating services	4,823	4,823	(1,923)	-	(1,923)	(6,746)
Operating supplies	859	859	6,208	-	6,208	5,349
Other	21,370	21,370	13,424	-	13,424	(7,946)
Capital Outlay	1,000	1,000	161,490	(139,689)	21,801	20,801
Intergovernmental	7,870	7,870	13,233	-	13,233	5,363
Total expenditures	<u>46,092</u>	<u>46,092</u>	<u>201,637</u>	<u>(139,689)</u>	<u>61,948</u>	<u>15,856</u>
Excess (Deficiency) of revenues over expenditures	510,095	510,095	444,110	-	444,110	(65,985)
<b>Other financing (uses) sources:</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(510,095)	(510,095)	(528,576)	-	(528,576)	-
Total Other financing sources (uses)	<u>(510,095)</u>	<u>(510,095)</u>	<u>(528,576)</u>	<u>-</u>	<u>(528,576)</u>	<u>-</u>
(Deficiency) Excess of revenues and other sources over expenditures and other uses	-	-	-	-	(84,466)	(84,466)
Fund balance, beginning	<u>284,430</u>	<u>284,430</u>	<u>284,430</u>		<u>284,430</u>	
Fund balance, ending	<u>\$ 284,430</u>	<u>\$ 284,430</u>	<u>\$284,430</u>		<u>\$ 199,964</u>	

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL-TITLE III B FUND  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variances with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 91,434	\$ 91,434	\$ 53,934	\$ (37,500)
Public Support	3,000	3,000	197	(2,803)
Total revenues	<u>94,434</u>	<u>94,434</u>	<u>54,131</u>	<u>(40,303)</u>
<b>Expenditures:</b>				
Current:				
Salaries	169,077	169,077	157,373	(11,704)
Fringe	34,118	34,118	30,074	(4,044)
Travel	3,435	3,435	1,912	(1,523)
Operating services	65,328	65,328	68,972	3,644
Operating supplies	46,759	46,759	39,207	(7,552)
Other	9,800	9,800	11,033	1,233
Total expenditures	<u>328,517</u>	<u>328,517</u>	<u>308,571</u>	<u>(19,946)</u>
(Deficiency) Excess of revenues over expenditures	(234,083)	(234,083)	(254,440)	(20,357)
<b>Other financing sources (uses):</b>				
Transfers in	<u>234,083</u>	<u>234,083</u>	<u>254,440</u>	<u>20,357</u>
(Deficiency) Excess of revenues and other sources over expenditures and other uses	-	-	-	-
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL-TITLE III C 1 FUND  
 For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variances with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 48,417	\$ 48,417	\$ 64,269	\$ 15,852
Public Support	7,500	7,500	6,100	(1,400)
Total revenues	<u>55,917</u>	<u>55,917</u>	<u>70,369</u>	<u>14,452</u>
Expenditures:				
Current:				
Salaries	9,920	9,920	10,548	628
Fringe	2,450	2,450	2,147	(303)
Travel	631	631	553	(78)
Operating services	6,165	6,165	8,618	2,453
Operating supplies	1,098	1,098	1,776	678
Other	1,448	1,448	1,447	(1)
Meals	63,000	63,000	61,556	(1,444)
Total expenditures	<u>84,712</u>	<u>84,712</u>	<u>86,645</u>	<u>1,933</u>
(Deficiency) Excess of revenues over expenditures	(28,795)	(28,795)	(16,276)	12,519
Other financing sources (uses):				
Transfers in	<u>28,795</u>	<u>28,795</u>	<u>16,276</u>	<u>(12,519)</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-
Fund balance, beginning	-	-	-	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL-TITLE III C 2 FUND  
 For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variances with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
<b>Intergovernmental</b>				
Governor's Office of Elderly Affairs	\$ 75,149	\$ 75,149	\$ 36,388	\$ (38,761)
Public Support	5,200	5,200	1,520	(3,680)
<b>Total revenues</b>	<u>80,349</u>	<u>80,349</u>	<u>37,908</u>	<u>(42,441)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Salaries	82,498	82,498	79,126	(3,372)
Fringe	13,707	13,707	12,866	(841)
Travel	17,396	17,396	17,130	(266)
Operating services	18,266	18,266	26,453	8,187
Operating supplies	3,969	3,969	5,854	1,885
Other	713	713	713	-
Meals	94,500	94,500	109,260	14,760
<b>Total expenditures</b>	<u>231,049</u>	<u>231,049</u>	<u>251,402</u>	<u>20,353</u>
(Deficiency) Excess of revenues over expenditures	(150,700)	(150,700)	(213,494)	(62,794)
<b>Other financing sources (uses):</b>				
Transfers in	150,700	150,700	213,494	62,794
Transfers out	-	-	-	-
<b>Total other financing         sources (uses)</b>	<u>150,700</u>	<u>150,700</u>	<u>213,494</u>	<u>62,794</u>
Excess (Deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-
Fund balance, beginning	-	-	-	
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

See accompanying notes to the financial statements.

SUPPLEMENTARY FINANCIAL INFORMATION  
REQUIRED BY GOEA

## ST. JOHN COUNCIL ON AGING, INC.

SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2019

	Title III D	Title III E	Senior Center	NSIP	Total
Revenues:					
Intergovernmental					
Governor's Office of Elderly Affairs	\$ 4,023	\$ 15,565	\$ 46,212	\$ 38,761	\$ 104,561
In-Kind Contributions	936	936	29,016	-	30,888
Total revenues	<u>4,959</u>	<u>16,501</u>	<u>75,228</u>	<u>38,761</u>	<u>135,449</u>
Expenditures:					
Health, Welfare & Social Services					
Current:					
Salaries	606	2,555	97,664	-	100,825
Fringe	123	520	9,613	-	10,256
Travel	32	134	764	-	930
Operating Services	494	2,087	11,920	-	14,501
Operating Supplies	102	430	2,457	-	2,989
Other	3,719	15,707	-	-	19,426
In-Kind Expenditures	936	936	29,016	-	30,888
Total expenditures	<u>6,012</u>	<u>22,369</u>	<u>151,434</u>	<u>-</u>	<u>179,815</u>
Excess (deficiency) of revenues over expenditures	<u>(1,053)</u>	<u>(5,868)</u>	<u>(76,206)</u>	<u>38,761</u>	<u>(44,366)</u>
Other financing sources (uses):					
Transfers in	1,053	5,868	76,206	-	83,127
Transfers out	-	-	-	(38,761)	(38,761)
Total other financing sources (uses)	<u>1,053</u>	<u>5,868</u>	<u>76,206</u>	<u>(38,761)</u>	<u>44,366</u>
Net increase in Fund Balances	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the financial statements.

## ST. JOHN COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS  
 AND CHANGES IN GENERAL FIXED ASSETS  
 For the Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
General fixed assets:				
Vehicles	\$ 138,498	\$ 161,490	\$ -	\$ 299,988
Equipment	32,159	-	-	32,159
Leasehold improvements	18,621	-	-	18,621
Total general fixed assets	<u>\$ 189,278</u>	<u>\$ 161,490</u>	<u>\$ -</u>	<u>\$ 350,768</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Local	\$ 75,456	\$ 21,801	\$ -	\$ 97,257
Senior Center	1,386	-	-	1,386
Stimulus	1,638	-	-	1,638
FTA	110,798	139,689	-	250,487
Total investment in general fixed assets	<u>\$ 189,278</u>	<u>\$ 161,490</u>	<u>\$ -</u>	<u>\$ 350,768</u>

See accompanying notes to the financial statements.



OTHER SUPPLEMENTARY INFORMATION

## ST. JOHN COUNCIL ON AGING, INC.

SCHEDULE OF COMPENSATION, REIMBURSEMENT, BENEFITS, AND OTHER PAYMENTS  
 TO AGENCY HEAD, POLITICAL SUBDIVISION HEAD, OR CHIEF EXECUTIVE OFFICER  
 For the Year Ended June 30, 2019

Agency Head: Cheryl Parquet, Executive Director

## PURPOSE:

Salary	\$ 61,277
* Benefits- medical insurance (health, eye, dental)	8,348
Mileage reimbursement	1,724
Travel Costs reimbursement	513
Recreation Activity Supplies reimbursement	<u>71</u>
	<u>\$ 71,933</u>

See accompanying notes to the financial statements.



INDEPENDENT AUDITORS' 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. John Council on Aging, Inc.  
Reserve, 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. John Council on Aging, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise St. John Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated January 1, 2020.

**Internal Control Over Financial Reporting**

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

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether St. John Council on Aging, Inc.'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

TWRU

CPAs & Financial Advisors  
Baton Rouge, Louisiana  
January 1, 2020

ST. JOHN COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2019

Summary of Auditor's Results

A. Type of auditors' report issued on the financial statements:

An unmodified opinion has been issued on St. John Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2019.

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:

No significant deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Noncompliance material to the financial statements:

There were no instances of noncompliance noted during the audit of the financial statements.

C. Federal Awards:

At June 30, 2019, the St. John Parish Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133; therefore this section is not applicable for the fiscal year ended June 30, 2019.

D. Management Letter:

No management letter was issued for the audit for the year ended June 30, 2019.

ST. JOHN COUNCIL ON AGING, INC.  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2019

No prior year audit findings.





INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of St. John Council on Aging and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by St. John Council on Aging (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

**Written Policies and Procedures**

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget  
*No Exceptions Noted.*
  - 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.  
*No Exceptions Noted.*
  - c) **Disbursements**, including processing, reviewing, and approving  
*No Exceptions Noted.*

- 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).  
*No Exceptions Noted.*
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.  
*No Exceptions Noted.*
- 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  
*No Exceptions Noted.*
- 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)  
*Exception:* Policy provided addresses credit card users, no policy for fuel card users.  
*Management's Response/Corrective Action:* We will add a section on fuel cards to our policy manual.
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers  
*No Exceptions Noted.*
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.  
*Exception:* No ethics policy provided.  
*Management's Response/Corrective Action:* The ethics requirement was discussed with employees and the board and required class was taken by all. We will establish a policy in writing and incorporate it into our policy manual.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.  
*Not Applicable.*

- k) **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.

*No Exceptions Noted.*

### **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.

*Exception:* The Board met eleven out of the twelve months.

*Management's Response/ Corrective Action:* Occasionally we cancel meetings due to scheduling issues or holidays. We do not feel this is a violation of policy or requires a corrective action.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit 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.

*No Exceptions Noted.*

- 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.

*Not Applicable.*

### **Bank Reconciliations**

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3. Obtain a listing of client 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 selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);  
*Not applicable due to no exceptions in prior year.*
  - 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  
*Not applicable due to no exceptions in prior year.*
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.  
*Not applicable due to no exceptions in prior year.*

### **Collections (excluding EFTs)**

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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).  
*No Exceptions Noted.*
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:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.  
*No Exceptions Noted.*
  - 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.  
*No Exceptions Noted.*

- 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.

***No Exceptions Noted.***

- 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 verifies the reconciliation.

***No Exceptions Noted.***

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

***No Exceptions Noted.***

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.

***Exception:*** The entity does not use sequentially pre-numbered receipts.

***Management's Response/Corrective Action:*** Management does not feel that sequentially pre-numbered deposit slips are necessary because the collections are small.

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

***No Exceptions Noted.***

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

***No Exceptions Noted.***

- d) Observe that 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).

***Exception:*** Deposits were not made within one business day of receipt.

***Management's Response/Corrective Action:*** Due to the small nature of operations and collections it is our policy to only make a bank deposit once a week on Friday.

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

***No Exceptions Noted.***

**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).

*No Exceptions Noted.*

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:

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

*Exception:* Purchase orders are not used to initiate a purchase and only one employee is required to make a purchase.

*Management's Response/Corrective Action:* Due to the small nature of our operations we do not utilize purchase orders and only one employee is needed to initiate a purchase request but the executive director ultimately approves all purchases.

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

*No Exceptions Noted.*

- 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.

*Exception:* The employee responsible for processing payments is not prohibited from adding/modifying vendor's list.

*Management's Response/Corrective Action:* Due to the small nature of our operations we have only one accounting staff person. She processes payments and adds/modifies vendors. She cannot sign checks. All payments are approved by the executive director and work is reviewed by an outside CPA firm monthly so we feel our controls are adequate.

- 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.

*No Exceptions Noted.*

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:
- a) Observe that the disbursement matched the related original invoice/billing statement.  
*No Exceptions Noted.*
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.  
*No Exceptions Noted.*

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.  
*No Exceptions Noted.*
12. 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 that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.  
*Exception:* The credit card statements are reviewed and approved by the Executive Director who is also an authorized user of the credit cards.  
*Management's Response/Corrective Action:* This is due to the small nature of our organization and accounting staff.
  - b) Observe that finance charges and late fees were not assessed on the selected statements.  
*No Exceptions Noted.*

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that 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.

*No Exceptions Noted.*

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

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

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).

*Not applicable due to no exceptions in prior year.*

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

*Not applicable due to no exceptions in prior year.*

- c) Observe that 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).

*Not applicable due to no exceptions in prior year.*

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

*Not applicable due to no exceptions in prior year.*

## Contracts

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.  
*Not applicable due to no exceptions in prior year.*
  - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).  
*Not applicable due to no exceptions in prior year.*
  - c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.  
*Not applicable due to no exceptions in prior year.*
  - 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 that the invoice and related payment agreed to the terms and conditions of the contract.  
*Not applicable due to no exceptions in prior year.*

## Payroll and Personnel

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16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.  
*No Exceptions Noted.*
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)  
*No Exceptions Noted.*

b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

*No Exceptions Noted.*

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

*No Exceptions Noted.*

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

*Not Applicable.*

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

*No Exceptions Noted.*

## **Ethics**

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20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above: obtain ethics documentation from management, and:

a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

*Exception:* Ethics training was completed by four out of five employees tested.

*Management's Response/Corrective Action:* The one employee who had not completed the ethics training had not been employed for the entire year. She had completed her ethics training after fiscal year end but it was within her first year of employment.

b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Exception:* No ethics policy was provided nor any signed employee verification for ethics policy.

*Management's Response/Corrective Action:* The ethics requirement was discussed with employees and the board and required class was taken by all. We will establish a policy in writing and have all employees read and sign the ethics policy as part of the onboarding process in the future.

## Debt Service

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

*Not Applicable.*

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

*Not Applicable.*

## Other

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

*No Exceptions Noted.*

24. Observe that 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.

*No Exceptions Noted.*

We were not engaged to and did not conduct an examination or review, 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.

The purpose of this report is 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.

TWRU

CPAs & Financial Advisors  
Baton Rouge, Louisiana  
January 1, 2020