

Financial Statement

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 2019



Bourgeois Bennett
CERTIFIED PUBLIC ACCOUNTANTS | CONSULTANTS
A LIMITED LIABILITY COMPANY

Financial Statement

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 2019

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Houma, Louisiana

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PRINCIPAL OFFICIALS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

BOARD OF DIRECTORS

	<u>Term Expiration Date</u>
L.J Folse, Chairman	December 31, 2021
Kirby Verret, Vice Chairman	December 31, 2020
Bert LeBoeuf, Treasurer	December 31, 2020
Raymonda Guidroz, Treasurer	December 31, 2019
H. Rene Rhodes	December 31, 2019
Melissa Lyons	December 31, 2020
Louis Pitre	December 31, 2021
Janet Hickman	December 31, 2019
Michael Boquet	December 31, 2021
Virginia Callahan	December 31, 2021
Carla Chaisson	December 31, 2021

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., (the "Council"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council'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 Council'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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and the Schedule of Changes in the Council's Total OPEB Liability and Related Ratios on pages 4 through 11, 53 through 59, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The supplementary information section is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, Schedule 8, is presented for purposes of additional analysis as required by the *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is also not a required part of the basic financial statements.

The accompanying financial information listed in the supplementary information section, except for the information contained in Schedule 7 and the Schedule of Expenditures of Federal awards are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. Schedule 7, Units of Service, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2019 on our consideration of the Terrebonne Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council's internal control over financial reporting and compliance.

Bourgeois Bennett, L.L.C.

Certified Public Accountants.

Houma, Louisiana,
December 6, 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

Management's Discussion and Analysis of the Terrebonne 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 document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Council's assets exceeded its liabilities at the close of fiscal year 2019 by \$29,724,065 (net position), which represents a 9.45% increase from last fiscal year.

The Council's revenue increased \$529,514 (or 6.01%) primarily as a result of increases in grants and contributions from the Terrebonne Parish Consolidated Government.

The Council's expenses decreased slightly by \$141,620 (or 2.05%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of six 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 the General Fund and non-major governmental funds and other supplementary information, (5) various governmental compliance reports and schedules by certified public accountants and management, and (6) statewide agreed upon procedures.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**Government-wide Financial Statements**

The government-wide financial statements (Exhibits A and B) 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 reported 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 changed during each fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the Council is health and welfare, which is comprised of various programs for senior citizens that include various supportive services, nutritional services, utility assistance and respite.

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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities (Exhibits D and F).

The Council has presented the General Fund, Title III B - Supportive Services Fund, Title III C-2 - Home Delivered Meals Fund and Rural Transportation Fund as major funds (Exhibits C and E). All non-major governmental funds are presented in one column, titled other governmental funds. Combining financial statements of the non-major funds can be found in the combining fund statements that follow the basic financial statements (Schedules 3 and 4).

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit G of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents 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 (GASB Required Supplementary Information: Exhibits H, I, J and K). GASB Statement No. 75 requires a schedule of changes in the Council's total OPEB liability (Exhibit M).

The Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about 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 (Schedules 3, 4, and 6). GOEA also requires the Council to present combining schedules of its General Fund Programs (Schedules 1 and 2), and a comparative schedule of Units of Service (Schedule 7). Louisiana state law requires the Schedule of Compensation Benefits, and Other Payments to Agency Head or Chief Executive Officer, (Schedule 5).

The Uniform Guidance requires a Schedule of Expenditures of Federal Awards (Schedule 8). This schedule presents required information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted Federal money to the Council.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2019, assets exceeded liabilities by \$29,724,065. A large portion of the Council's net position (26.81%) reflects its investment in capital assets (e.g., land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Condensed Statements of Net Position**

	June 30,		Dollar
	2019	2018	Change
Current and other assets	\$ 19,921,846	\$ 17,463,791	\$ 2,458,055
Capital assets	7,970,265	7,707,096	263,169
Other long term assets	5,500,000	5,500,000	-
Deferred outflow of resources	559,617	-	559,617
Total assets and deferred outflows of resources	33,951,728	30,670,887	3,280,841
Long-term liabilities outstanding	3,064,962	3,263,887	(198,925)
Other liabilities	264,217	234,740	29,477
Deferred inflows of resources	898,484	15,073	883,411
Total liabilities and deferred inflows of resources	4,227,663	3,513,700	713,963
Net Position:			
Net investment in capital assets	7,970,265	7,707,096	263,169
Restricted	23,215	17,723	5,492
Unrestricted	21,730,585	19,432,368	2,298,217
Total net position	\$ 29,724,065	\$ 27,157,187	\$ 2,566,878

Current and other assets increased significantly due to an increase in cash of approximately \$2,380,000. The Council recognized deferred outflow of resources of \$559,617 and deferred inflows of resources of \$898,484 related to GASB Statement No. 75, *"Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pension"*.

Governmental Activities

Governmental activities increased the Council's net position by \$2,566,878. Key elements of the increase are as follows:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**Governmental Activities (Continued)****Condensed Changes in Net Position**

	June 30,		Dollar	Total
	2019	2018	Change	Percent Change
Revenues:				
Program revenues:				
Charges for services	\$ 111,419	\$ 114,995	\$ (3,576)	-3.11%
Operating grants and contributions	1,296,504	1,352,699	(56,195)	-4.15%
Capital grants and contributions	266,664	213,886	52,778	24.68%
General revenues:				
Grants and contributions not restricted to specific programs	7,569,794	7,084,303	485,491	6.85%
Unrestricted investment earnings	88,779	25,528	63,251	247.77%
Miscellaneous	3,006	15,241	(12,235)	-80.28%
Total revenues	9,336,166	8,806,652	529,514	6.01%
Expenses:				
Health and welfare	6,769,288	6,910,908	(141,620)	-2.05%
Increase in net position	2,566,878	1,895,744	671,134	35.40%
Net position beginning of year	27,157,187	27,331,765	(174,578)	-0.64%
Restatement, implementation of GASB No. 75	-	(2,070,322)	2,070,322	-100.00%
Net position, beginning of year	27,157,187	25,261,443	1,895,744	7.50%
Net position end of year	\$ 29,724,065	\$ 27,157,187	\$ 2,566,878	9.45%

Grants and contributions not restricted to specific programs increased in the current year due to increases in the amount of ad valorem taxes received from Terrebonne Parish Consolidated Government.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**Governmental Funds**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$19,657,629, an increase of \$2,428,578 in comparison with the prior year. The Council's total General Fund balance increased by \$2,420,111 during the current fiscal year, and the combined increase in fund balance for all other governmental funds was \$8,467. The unassigned fund balance component of the General Fund was \$11,347,260 (Exhibit C) and is available for spending at the Council's discretion. The remainder of the General Fund's fund balance of \$8,229,948 is comprised of \$303,587 of nonspendable resources, \$928 of restricted resources, \$4,050,104 of committed resources and \$3,875,329 of assigned resources. The \$80,421 fund balance of all other governmental funds is comprised of \$22,287 of restricted resources, and the remaining \$58,134 is assigned to special projects.

Budgetary Highlights

The budget was amended once during the year. The primary reason for amending the budget was to prevent compliance violations under the Council's grants from GOEA due to unanticipated changes in revenue and expenditures. The major differences between the original General Fund budget and the final amended budget were as follows:

Revenues

- Intergovernmental revenues increased by \$1,498,866 to reflect anticipation of receipts of intergovernmental revenue from Terrebonne Parish Consolidated Government (the Parish).
- Interest income increased by \$50,000 to reflect increase of interest due to increase in money market account balance.

Expenditures

- Capital outlay expenditures increased \$324,410 to reflect actual expenditures for the purchase of vans and renovations to storm drainage at Chauvin Senior Center.
- Operating supplies decreased \$160,950 to reflect the decrease in actual expenditures related to medical supplies and assistance.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS (Continued)**Budgetary Highlights (Continued)**

The major differences in the original and final budgets of other major funds include Title III B Supportive Services were increased in revenues and expenditures by \$114,814 and \$193,729, primarily due to the increase in intergovernmental funds received as well as increases in salaries and fringe benefits, and operating services during the year. Title III C Home Delivered Meals Fund increase total revenue by \$118,631 to reflect increase in intergovernmental revenue. Rural Fund increased total expenditures by \$54,380 to reflect increases in salaries and fringe benefits.

During the year, actual expenditures reported favorable variances from the amount of final budgetary estimates in the General Fund. Actual revenues reported an unfavorable variance due to an over estimate in the amended budget. Other major funds reported favorable expenditure budget variances for the year. Required supplementary information budgetary comparison schedules were prepared for the General Fund and each major special revenue fund (Exhibits H, I, J, and K).

CAPITAL ASSETS**Capital Assets**

The Council's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$7,970,265 (net of accumulated depreciation). This investment in capital assets includes land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2019</u>	<u>2018</u>
Land	\$ 1,694,456	\$ 1,694,456
Construction in progress	-	14,106
Buildings and leasehold improvements	5,339,639	5,317,077
Office furniture, fixtures, and equipment	130,043	112,040
Vehicles, machinery, and equipment	<u>806,127</u>	<u>569,417</u>
Totals	<u>\$ 7,970,265</u>	<u>\$ 7,707,096</u>

Major capital asset events during the current fiscal year included the following:

- Completion of storm drainage project at Chauvin Senior Center.
- Purchase of four vans.

Additional information on the Council's capital assets can be found in Note 7, Exhibit G of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Council receives most of its funding from Federal and State agencies and grants of local ad valorem taxes. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues from grants may vary from year to year. 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 fiscal year 2019-2020. The Council plans to implement the following programs during the fiscal year ending June 30, 2020:

- Future building of another elderly housing complex.
- Purchases of vans and buses.

The Board of Directors considered the following factors and indicators when setting next year's budget. These factors and indicators include:

- Consideration of funding to be received from GOEA.
- Grants of ad valorem tax proceeds budgeted represents the estimated amount of the November 2019 assessment, which the Council will receive, for the most part, in the first quarter of 2020.
- 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.
- Services the Council will provide along with estimated service cost.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Detail plan of capital projects required to provide services.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Council's finances for all those with an interest in the Council's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Council on Aging, Inc., 955 W Tunnel Blvd, Houma, LA 70360.

STATEMENT OF NET POSITION**Terrebonne Council on Aging, Inc.**
Houma, Louisiana

June 30, 2019

	<u>Primary Government</u>	<u>Component Unit</u>
Assets		
Cash	\$ 18,760,465	\$ 183,551
Investments	732,324	-
Contracts receivable	88,889	-
Other receivable	22,327	-
Other current assets	17,754	19,932
Advances to component unit	300,087	-
Restricted deposits	-	238,071
Capital assets:		
Non-depreciable	1,694,456	1,300,000
Depreciable, net of accumulated depreciation	6,275,809	4,100,698
Other long-term assets	5,500,000	-
Total assets	<u>33,392,111</u>	<u>5,842,252</u>
Deferred Outflow of Resources	<u>559,617</u>	
Total assets and deferred outflows of resources	<u>33,951,728</u>	
Liabilities		
Accounts payable and accrued expenses	264,217	248,045
Advances from funding agencies	-	240,865
Non-current liabilities - due in more than one year	3,064,962	-
Total liabilities	<u>3,329,179</u>	<u>488,910</u>
Deferred Inflows of Resources	<u>898,484</u>	
Total liabilities and deferred inflows of resources	<u>4,227,663</u>	
Net Position		
Net investment in capital assets	7,970,265	-
Restricted for - other purposes	23,215	3,133,490
Unrestricted	21,730,585	2,219,852
Total net position	<u>\$ 29,724,065</u>	<u>\$ 5,353,342</u>

See notes to financial statements.

STATEMENT OF ACTIVITIES**Terrebonne Council on Aging, Inc.**
Houma, Louisiana

For the year ended June 30, 2019

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total Governmental Activities	Component Unit
			Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:							
Health, welfare, and social services:							
Supportive services:							
Personal care	\$ 198,377	\$ -	\$ -	\$ 34,244	\$ -	\$ (164,133)	
Other services	22,706	21,886	-	2,157	-	(42,435)	
Homemaker	195,328	-	-	30,766	-	(164,562)	
Information and assistance	199,748	186,280	-	65,283	-	(320,745)	
Legal assistance	5,167	-	-	5,167	-	-	
Material aid	208,642	108,086	-	8,437	-	(308,291)	
Outreach	15,228	16,359	-	10,334	-	(21,253)	
Transportation	1,204,560	530,082	6,075	400,773	266,664	(1,061,130)	
Wellness	122,549	17,206	-	8,039	-	(131,716)	
Recreation	172,045	23,811	-	25,232	-	(170,624)	
Nutrition services:							
Congregate meals	751,372	155,912	6,938	165,177	-	(735,169)	
Home delivered meals	1,542,446	543,574	-	204,393	-	(1,881,627)	
Elderly housing	64,973	36,006	98,406	-	-	(2,573)	
Utility assistance	73,753	-	-	1,212	-	(72,541)	
Respite	296,161	-	-	33,747	-	(262,414)	
Medication management	14,214	15,532	-	24,124	-	(5,622)	
Medicare improvement MIPP	10,037	4,939	-	11,950	-	(3,026)	
Administration	1,671,982	(1,659,673)	-	265,469	-	253,160	
Total governmental activities	<u>\$ 6,769,288</u>	<u>\$ -</u>	<u>\$ 111,419</u>	<u>\$ 1,296,504</u>	<u>\$ 266,664</u>	<u>(5,094,701)</u>	
Component unit:							
Elderly housing	<u>\$ 429,471</u>				<u>\$ 355,981</u>		<u>\$ (73,490)</u>
General revenues:							
Grants and contributions not restricted to specific programs						7,569,794	
Unrestricted investment earnings						88,779	
Miscellaneous						3,006	
Total general revenues						<u>7,661,579</u>	
Change in net position						2,566,878	(73,490)
Net position:							
Beginning of year						<u>27,157,187</u>	<u>5,426,832</u>
End of year						<u>\$ 29,724,065</u>	<u>\$ 5,353,342</u>
See notes to financial statements.							

FUND BALANCE SHEET -
GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
Assets						
Cash	\$ 18,759,615	\$ -	\$ -	\$ -	\$ 850	\$ 18,760,465
Investments	732,324	-	-	-	-	732,324
Contracts receivable	-	-	-	86,739	2,150	88,889
Other receivables	7,914	3,367	4,663	2,807	3,576	22,327
Due from other funds	79,686	36,754	49,054	-	103,194	268,688
Other current assets	17,754	-	-	-	-	17,754
Advances to component unit	300,087	-	-	-	-	300,087
Total assets	<u>\$ 19,897,380</u>	<u>\$ 40,121</u>	<u>\$ 53,717</u>	<u>\$ 89,546</u>	<u>\$ 109,770</u>	<u>\$ 20,190,534</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 131,170	\$ 40,121	\$ 53,717	\$ 10,692	\$ 28,517	\$ 264,217
Due to other funds	189,002	-	-	78,854	832	268,688
Total liabilities	<u>320,172</u>	<u>40,121</u>	<u>53,717</u>	<u>89,546</u>	<u>29,349</u>	<u>532,905</u>
Fund Balances						
Nonspendable:						
Prepaid expenditures	3,500	-	-	-	-	3,500
Advances to component unit	300,087	-	-	-	-	300,087
Restricted:	928	-	-	-	22,287	23,215
Committed:						
Disaster relief	3,000,104	-	-	-	-	3,000,104
Litigation	50,000	-	-	-	-	50,000
St. George Property Development	1,000,000	-	-	-	-	1,000,000
Assigned:						
Retiree health insurance	2,778,484	-	-	-	-	2,778,484
Subsequent year's expenditures	460,209	-	-	-	-	460,209
Compensated absences	315,599	-	-	-	-	315,599
Special projects	321,037	-	-	-	58,134	379,171
Unassigned	11,347,260	-	-	-	-	11,347,260
Total fund balances	<u>19,577,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,421</u>	<u>19,657,629</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 19,897,380</u>	<u>\$ 40,121</u>	<u>\$ 53,717</u>	<u>\$ 89,546</u>	<u>\$ 109,770</u>	<u>\$ 20,190,534</u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION**

Terrebonne Council on Aging, Inc.

Houma, Louisiana

June 30, 2019

Fund Balances - Governmental Funds		\$ 19,657,629
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets and other long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	\$ 12,265,722	
Less accumulated depreciation	<u>(4,295,457)</u>	7,970,265
Other long-term assets		5,500,000
Deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.		559,617
Non-current liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Postemployment benefit obligations	(2,778,484)	
Compensated absences payable	<u>(286,478)</u>	(3,064,962)
Deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in governmental funds.		<u>(898,484)</u>
Net Position of Governmental Activities		<u>\$ 29,724,065</u>

See notes to financial statements.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.
Houma, Louisiana**

For the year ended June 30, 2019

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Intergovernmental:						
State of Louisiana:						
Governor's Office of Elderly Affairs	\$ 45,498	\$ 280,384	\$ 264,338	\$ -	\$ 321,446	\$ 911,666
Department of Transportation and Development	266,664	-	-	316,511	-	583,175
Terrebonne Parish Consolidated Government	7,492,246	-	-	-	1,212	7,493,458
TCOA Elderly Housing, Inc.	98,406	-	-	-	-	98,406
Charges for services	160	-	-	7,823	6,075	14,058
Interest income	88,779	-	-	-	-	88,779
Public support:						
Contributions	7,488	3,208	53,235	-	22,138	86,069
Other	3,601	-	-	-	-	3,601
Miscellaneous:						
Program income	-	-	-	-	24,768	24,768
Other	19,830	-	-	493	-	20,323
Total revenues	8,022,672	283,592	317,573	324,827	375,639	9,324,303
Expenditures						
Current:						
Health and welfare:						
Salaries	322,250	492,385	724,441	377,658	481,520	2,398,254
Fringe	96,471	138,745	162,916	83,552	126,161	607,845
Travel	8,084	7,945	1,686	772	2,622	21,109
Operating services	559,050	174,263	572,478	157,752	197,468	1,661,011
Operating supplies	73,689	17,903	214,569	35,492	73,112	414,765
Other costs	70,525	398,873	-	-	125,495	594,893
Meals	-	-	406,304	-	78,418	484,722
Capital outlay	722,416	-	-	-	2,573	724,989
Total expenditures	1,852,485	1,230,114	2,082,394	655,226	1,087,369	6,907,588
Excess (deficiency) of revenues over expenditures	6,170,187	(946,522)	(1,764,821)	(330,399)	(711,730)	2,416,715
Other Financing Sources (Uses)						
Insurance proceeds	11,863	-	-	-	-	11,863
Operating transfers in	1,633	946,522	1,764,821	330,399	721,830	3,765,205
Operating transfers out	(3,763,572)	-	-	-	(1,633)	(3,765,205)
Total other financing sources (uses)	(3,750,076)	946,522	1,764,821	330,399	720,197	11,863
Net Change in Fund Balances	2,420,111	-	-	-	8,467	2,428,578
Fund Balances						
Beginning of year	17,157,097	-	-	-	71,954	17,229,051
End of year	\$ 19,577,208	\$ -	\$ -	\$ -	\$ 80,421	\$ 19,657,629

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds **\$ 2,428,578**

Amounts reported for governmental activities in the
Statement of Activities are different because:

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 as
depreciation expense. This is the amount by which
depreciation exceeded capital outlays in the current period:

Capital outlay	\$ 724,989	
Depreciation expense	<u>(461,820)</u>	<u>263,169</u>

Some expenses reported in the Statement of Activities
do not require the use of current financial resources
and, therefore, are not reported as expenditures in
the governmental funds.

Increase in postemployment obligations	(128,949)	
Decrease in compensated absences	<u>4,080</u>	<u>(124,869)</u>

Change in Net Position of Governmental Activities **\$ 2,566,878**

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS**Terrebonne Council on Aging, Inc.**

Houma, Louisiana

June 30, 2019

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Terrebonne Council on Aging, Inc. (the "Council") conform to 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 accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

a) Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Terrebonne Parish ("Terrebonne"); 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 Terrebonne; to provide for a mutual exchange of ideas and information on the parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of Terrebonne; and to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), 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 Terrebonne.

Specific services provided by the Council to the elderly residents of Terrebonne include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, home repairs, utility assistance, homemakers, recreation, legal assistance, disease prevention, health promotion and transportation.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (LA R.S.46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. However, before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and are governed by policies and regulations established by GOEA. The Council was created on April 28, 1965, under Act No. 456 of 1964. On September 10, 1975, the Council was incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes of 1950 to operate as a quasi-public, non-profit organization.

A board of directors, consisting of 11 voluntary members, who serve three year terms, governs the Council. Board members are elected by the general membership of the Council during its annual meeting. There can be no appointed Board member at any given time.

GASB No. 14, *"The Financial Reporting Entity"*, GASB No. 39, *"Determining Whether Certain Organizations Are Component Units-an amendment of GASB Statement No. 14"*, and GASB No. 61, *"The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34"* established the criterion for determining which component units should be considered part of the Council for financial reporting purposes. The basic criteria are as follows:

1. Legal status of the potential component unit including the right to incur its own debt, levy its own taxes and charges, expropriate property in its own name, sue and be sued, and the right to buy, sell and lease property in its own name.
2. Whether the governing authority appoints a majority of the board members of the potential component unit.
3. Fiscal interdependency between the Council and the potential component unit.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Reporting Entity (Continued)

4. Imposition of will by the Council on the potential component unit.
5. Financial benefit/burden relationship between the Council and the potential component unit.

The basic financial statements include TCOA Elderly Housing, Inc. which is considered to be a component unit of the Council based upon the above criteria.

It has also been determined based upon the above criteria that the Council is a component unit of the Terrebonne Parish Consolidated Government (the "Parish") and will be included in its comprehensive financial report for the year ending December 31, 2019.

c) Basis of Presentation

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

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

Government-wide Financial Statements:

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been removed from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities of the Council generally are supported by intergovernmental revenues.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Council allocates its indirect costs among various functions and programs in accordance with the *"U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards"*, ("Uniform Guidance"). The Statement of Activities shows this allocation in a separate column labeled "indirect expenses". In addition, GOEA provides grant funds, included in operating grants and contributions, to help the Council pay for a portion of its indirect costs. As a result, total governmental activities reported by function or program contain the indirect costs in excess of the GOEA funds. Other program revenues include: (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements:

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

The daily accounts and operations of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds of the Council are grouped into generic fund types and fund categories as follows:

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (Continued)

Governmental activities presented as governmental funds in the fund financial statements:

General Fund - The General Fund is the general operating fund of the Council. It is used to account for and report all financial resources except those that are required to be accounted for and reported in another fund. The General Fund is always a major fund.

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources (other than major capital projects) that are legally restricted or committed to expenditures for specified purposes. Title III B - Supportive Services Fund, Title III C-2 - Home Delivered Meals Fund and the Rural Transportation Fund are special revenue funds reported as major funds.

Capital Projects Fund - A Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlay including the acquisition or construction of major capital facilities. The Capital Projects Fund is reported as a nonmajor fund.

The following programs comprise the Council's General Fund:

Ad Valorem Tax Monies - Monies are derived from a 7.50 mill parish wide ad valorem tax received through grants from the Parish.

Act 735 Monies - Monies are received from GOEA as stated in the Legislative Act 735. The Council may use these funds at its discretion in any program provided the program is benefiting people who are at least 60 years old. The money received in this fund during the year was transferred to the Title III B- Supportive Services Fund to provide additional funds to pay for its program expenditures.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (Continued)

The following funds are the funds which comprise the Council's special revenue funds:

Title III B - Supportive Services Fund - Monies are received from GOEA which are used to provide various units of supportive social services to the elderly. Specific supportive services provided during the fiscal year are information and assistance, personal care, outreach, homemakers, recreation, transportation, legal, material aid, visiting, telephone and wellness. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

Title III C - Area Agency Administration Fund - Monies are received from GOEA and are used to account for a portion of the indirect costs of administering the Council's programs and helps pay for the costs of administering the Council's special programs for the elderly. The amount of money is not enough to pay for all the indirect costs. As a result, the Council will allocate its indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs, in excess of the funds provided by GOEA, are distributed to other funds and programs using a formula based on the percentage each program's direct costs bear to direct costs for all programs.

Title III C-1 - Congregate Meals Fund - Monies are received from GOEA and are used to provide nutritional congregate meals to the elderly at meal sites located throughout Terrebonne Parish.

Title III C-2 - Home Delivered Meals Fund - Monies are received from GOEA and are used to provide nutritional meals to homebound older persons.

Title III D - Preventive Health Fund - Monies in this fund are received from GOEA and are used for disease prevention and health promotion activities.

Title III E - National Family Caregiver Program Fund - Monies in this fund are received from GOEA and are used to provide relief to family members who are the primary caregiver to an ill and/or bedridden senior individual.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (Continued)

Helping Hands Fund - Donated monies are received from the utility customers of the Terrebonne Parish Consolidated Government, South Louisiana Electric Cooperation Association and Trans LA Gas Company. Donations also flow through the Louisiana Association of Councils on Aging. These monies provide home energy assistance subsidy to low-income elderly and handicap persons.

No Wrong Door Service - Monies are received from GOEA and are used to conduct and complete "No Wrong Door" surveys in the Council's jurisdiction.

Transportation Fund - Monies are received from transportation services provided for nursing home clientele and clientele of The Work Connection, Inc. Monies are received based on per trip billing.

Enhanced Mobility of Seniors and Individuals with Disabilities Small Urban - This program provides formula funding to states for the purpose of assisting private nonprofit groups in meeting the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. The program aims to improve mobility for seniors and individuals with disabilities by removing barriers to transportation service and expanding transportation mobility options. This program supports transportation services planned, designed, and carried out to meet the special transportation needs of seniors and individuals with disabilities.

Senior RX Fund - Monies in this fund are received from GOEA and are used to link eligible seniors with assistance for obtaining their prescription medications. This program does not give seniors their prescription medications, but will assist in the completion of applications to drug companies for free medicines or drug discount cards.

Special Fund - Monies are generated through special projects and donations. This fund is used for social, charitable, and athletic events scheduled for the elderly throughout the year.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Presentation (Continued)

Rural Transportation Fund - This program is to expand transportation service by providing Demand Response Public Transportation to rural communities. All eligible rural residents may access this system for a fare of \$1.00 for a one way trip. Residents are not limited to just doctors and government facilities as our other transportation programs. They may ride for work purposes, shopping, and visiting as well as doctors and government facilities. They can also access the Terrebonne Parish Transit System for additional transportation needs.

Medicare Improvement for Patients and Providers Act - The Council receives funds from the GOEA to provide outreach to eligible Medicare beneficiaries regarding the benefits available under Title XVIII of the Social Security Act, including the Medicare prescription drug benefit under Part D of Title XVII of the Social Security Act and under the Medicare Savings Program, and to coordinate efforts to inform older Americans about benefits available under Federal and state programs.

Schriever Senior Center Fund - Monies are generated through special projects and donations. The purpose of this fund is to provide various supplies and costs associated with providing a community service center at which the elderly people of Schriever can receive supportive social services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community of Schriever.

d) Component Unit Disclosure

The component unit column and rows in the government-wide Statement of Net Position and Statement of Activities include the financial data of the Council's component unit for their fiscal year end of December 31, 2018. It is reported in a separate column to emphasize that it is legally separate from the Council. TCOA

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Component Unit Disclosure (Continued)

Elderly Housing, Inc. (the "Corporation") is a subsidiary of the Council. Board members for the Corporation are elected by the general membership of the Corporation. The Corporation's purpose is the construction and management of housing facilities to serve the elderly and elderly handicapped. As of June 30, 2019, the Council has advanced \$300,087 to the Corporation for which it anticipates reimbursement from future funds.

e) Measurement Focus and Basis of Accounting

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

Government-wide Financial Statements:

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

Fund Financial Statements:

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current position. Governmental funds are maintained on the modified accrual basis of accounting. Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The Council's definition of available means expected to be received within sixty days of the end of the fiscal year.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Measurement Focus and Basis of Accounting (Continued)

Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) accumulated unpaid vacation pay and other postemployment benefits are recorded as expenditures in the governmental fund type when paid with expendable available financial resources. Allocations of cost such as depreciation are not recognized in the governmental funds.

f) Use of Estimates

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

g) Accounts Receivable

The financial statements for the Council contain no allowance for bad debts. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the funds of the Council.

h) Cash and Investments

Cash includes petty cash, amounts in demand deposits, interest bearing demand deposits, and certificates of deposit with maturities of three months or less.

Investments consists of certificates of deposit with maturities of more than three months.

i) Capital Assets

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Capital Assets (Continued)

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and leasehold improvements	10 - 40 years
Office furniture, fixtures, and equipment	5 - 12 years
Vehicles, machinery, and equipment	5 - 20 years

Fund Financial Statements:

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

j) Non-Current Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

All non-current liabilities to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist of accumulated unpaid vacation and other postemployment benefits.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Non-Current Liabilities (Continued)

Fund Financial Statements:

Non-current liabilities for governmental funds are not reported as liabilities in the fund financial statements.

k) Accumulated Vacation, Compensatory Time, and Sick Leave

The Council's policies regarding vacation and sick leave permit employees to accumulate earned but unused vacation and sick leave. The liability for compensated absences is recorded as a long-term obligation in the government-wide statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

Employees of the Council shall be entitled to vacation with pay and shall accrue vacation time in the following manner:

First year through third year	One week
Fourth year through sixth year	Two weeks
Seventh year through ninth year	Three weeks
Ten years or more	Four weeks

Employees may not accumulate and carry forward vacation time beyond the year earned unless approval is given by the Executive Director. Also, the Executive Director's carryover must be approved by the Board Chairman. Accumulated vacation leave is due to the employee at the time of termination of employment. Although sick leave accumulates and is available for employees when needed, it does not vest nor is it payable at termination of employment.

l) Income Taxes

The Council is a non-profit organization and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provisions for income taxes have been made.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Income Taxes (Continued)

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2016 and later remain subject to examination by the taxing authorities. As of June 30, 2019 management of the Council believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

m) Interfund Transactions

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 paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements.

n) Related Party Transactions

There were no related party transactions during the fiscal year.

o) 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 functions or programs. Indirect expenses are recorded as direct expenses of the Administration function. The Administration function is allocated using a formula that is based primarily on the relationship the direct cost of all programs. GOEA provides funds to partially subsidize the Council's Administration function within certain programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Equity

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Net investment in capital assets - 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 assets. As of June 30, 2019, the Council did not report any borrowings.
- b. Restricted net position - Consists of assets less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the Council's policy to use restricted resources first, then unrestricted resources as they are needed except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use NSIP revenues when paying for nutrition program costs.

Component Unit Restricted Net Position:

The component unit received a \$4,082,400 capital advance from HUD for the construction of a multifamily residual housing facility. The construction of the facility along with the cost of land improvements was capitalized as a fixed asset and therefore the temporary restriction is lifted as the building and land improvements depreciate over its useful life. As of December 31, 2018, \$948,909 of total cost has been depreciated and therefore is included in unrestricted net assets.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Equity (Continued)

Fund Financial Statements:

Governmental fund equity is classified as fund balance. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures, receivables anticipated to be collected after 1 year and deposits as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources 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.

As of June 30, 2019, the Council has classified \$23,215 as restricted fund balance due to the constraints placed on the use of the money by donors.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has committed \$3,000,104 of funds for disaster, \$50,000 for possible litigation, and \$1,000,000 for the development of the St. George property as of June 30, 2019.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Equity (Continued)

Fund Financial Statements: (Continued)

- **Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management assigned funds for the purposes of retiree health insurance, subsequent year's expenditures (budget deficit), compensated absences, utility assistance, fundraising, gift program and various special purposes, as of June 30, 2019 in the amounts of \$2,778,484, \$460,209, \$315,599, \$2,142, \$33,447, \$37,781 and \$305,801, respectively.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

q) New GASB Statements

During the year ending June 30, 2019, the Council implemented the following GASB Statements:

Statement No. 83, *"Certain Asset Retirement Obligations"* addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement. This statement establishes criteria for determining

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) New GASB Statements (Continued)

the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources beginning after June 15, 2018. This statement did not affect the Council's financial statements.

Statement No. 88, *"Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"* improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. The statement clarifies which liabilities governments should include when disclosing information related to debt. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 30, 2018. This statement did not affect the Council's financial statements.

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 84, *"Fiduciary Activities"* improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) New GASB Statements (Continued)

Statement No. 87, *"Leases"* increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 89, *"Accounting for Interest Cost Incurred before the End of a Construction Period"* establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5-22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this statement. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Management has not yet determined the effect of this statement on the financial statements.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) New GASB Statements (Continued)

Statement No. 90, *"Majority Equity Interest"* the primary objectives of this statement are to improve the consistency and comparability of reporting government's majority equity interest in legally separate organization and to improve the relevance of financial statement information for certain component units. It specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method. This statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as component unit. The requirements of this statement are effective for reporting period beginning after December 15, 2018. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 91, *"Conduit Debt Obligations"* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Management has not yet determined the effect of this statement on the financial statements.

Note 2 - FUNDING POLICIES

The Council receives federal and state funding on a reimbursement basis for services performed. Funding from the Governor's Office of Elderly Affairs (GOEA) is received on a reimbursement basis. In addition, the Council performs transportation services using Department of Transportation funding passed through the Parish.

Note 2 - FUNDING POLICIES (Continued)

The Council receives grants from the Parish from a 7.50 mill parish-wide ad valorem tax for the purpose of operating and maintaining programs for elderly and disabled people of Terrebonne Parish. Funding from the Parish is included in intergovernmental revenue and amounted to \$7,492,246 during the year ended June 30, 2019. The funding from the Parish is subject to the terms of a cooperative endeavor agreement, (CEA), dated May 19, 2016, which allocated the tax proceeds to the Council pursuant to approval of the Council's budget by the Parish Council. The CEA term is for three years from execution. The CEA expired May 19, 2019 and has not been renewed or replaced with a new or similar agreement as of December 6, 2019.

Note 3 - DEPOSITS AND INVESTMENTS

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the State of Louisiana, guaranteed investments contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

Bank Deposits:

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. As a matter of policy, the Council however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance, securities purchased and pledged to the political subdivision and letters of credit with the Federal Home Loan Bank pledged to the political subdivision.

Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 18,879,262	\$ 18,757,015
Certificates of deposit	732,324	732,324
Totals	<u>\$ 19,611,586</u>	<u>\$ 19,489,339</u>

Note 3 - DEPOSITS AND INVESTMENTS (Continued)

Bank Deposits: (Continued)

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council has a written policy for custodial credit risk. As of June 30, 2019, \$18,586,489 of the Council's bank balance of \$19,611,586 was exposed to custodial credit risk. These deposits were uninsured and collateralized with letters of credit held by the federal home loan bank and are deemed to be held in the Council's name by state statutes.

As of June 30, 2019, cash and certificates of deposits were adequately collateralized in accordance with the Council's policy, similar to state law. The GASB, which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities Letters of Credit or sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

A reconciliation of deposits and investments as shown on the Statement of Net Position is as follows:

Cash on hand	\$ 3,450
Reported amount of deposits	<u>19,489,339</u>
Total	<u>\$ 19,492,789</u>
Classified as:	
Cash	\$ 18,760,465
Investments	<u>732,324</u>
Total	<u>\$ 19,492,789</u>

Component Unit Cash and Investments

As of December 31, 2018 the balance of deposits and the certificate of deposit, reported as an investment, in the bank was fully insured by the FDIC's Transaction Account Guaranty Program.

Note 4 - CONTRACTS RECEIVABLE

Contracts receivable as of June 30, 2019 consisted of reimbursements for expenditures incurred under the following programs:

State of Louisiana -	
Department of Health and Hospitals -	
Medicare Improvement for Patients	
and Providers Act	\$ 840
Terrebonne Parish Consolidated Government -	
Rural Transportation Program	86,739
Nursing Homes - Transportation Programs	<u>1,310</u>
Total	<u>\$88,889</u>

Note 5 - ADVANCE TO COMPONENT UNIT

The Council advanced TCOA Elderly Housing, Inc. startup funds for design and construction of the housing project operated by the component unit. The advance does not bear interest, is unsecured and is not anticipated to be collected during the next fiscal year. As of June 30, 2019, the balance of advanced funds were \$300,087. During the year ended June 30, 2019, the Council made advances totaling \$98,406. Repayments of \$20,000 were received within the year.

Note 6 - RESTRICTED DEPOSITS

The component unit is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits are held in separate accounts and generally are not available for operating purposes. As of December 31, 2018 the component unit had \$238,071 deposited in the separate accounts.

Note 7 - CHANGES IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	\$ 1,694,456	\$ -	\$ -	\$ 1,694,456
Construction in progress	14,106	-	(14,106)	-
Total capital assets not being depreciation	1,708,562	-	(14,106)	1,694,456
Capital assets being depreciated:				
Intangible assets	10,500	-	-	10,500
Buildings and leasehold improvements	7,297,618	249,404	-	7,547,022
Office furniture, fixtures, and equipment	478,771	47,038	(100)	525,709
Vehicles, machinery, and equipment	2,045,382	442,653	-	2,488,035
Total capital assets being depreciated	9,832,271	739,095	(100)	10,571,266
Less accumulated depreciation for:				
Intangible assets	(10,500)	-	-	(10,500)
Building and leasehold improvements	(1,980,541)	(226,842)	-	(2,207,383)
Office furniture, fixtures, and equipment	(366,731)	(29,035)	100	(395,666)
Vehicles, machinery, and equipment	(1,475,965)	(205,943)	-	(1,681,908)
Total accumulated depreciation	(3,833,737)	(461,820)	100	(4,295,457)
Total capital assets being depreciated, net	5,998,534	277,275	-	6,275,809
Total capital asset, net	\$ 7,707,096	\$ 277,275	\$ (14,106)	\$ 7,970,265

Depreciation was charged to governmental activities as follows:

Administration	\$ 171,053
Nutrition Services:	
Congregate Meals	187,215
Home Delivered Meals	3,626
Supportive Services:	
Transportation	46,262
Recreation	25,722
Wellness	22,955
Material Aid	2,125
Other	2,862
Total	<u>\$ 461,820</u>

Note 7 - CHANGES IN CAPITAL ASSETS (Continued)

Component Unit Capital Assets

The component unit's capital asset activity for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Disposals</u>	<u>Ending Balance</u>
Land	\$ 1,300,000	\$ -	\$ 1,300,000
Land improvements	934,587	-	934,587
Building	4,391,913	-	4,391,913
Furniture and equipment	<u>22,957</u>	<u>-</u>	<u>22,957</u>
Total	6,649,457	-	6,649,457
Accumulated depreciation	<u>(1,103,624)</u>	<u>(145,135)</u>	<u>(1,248,759)</u>
Net book value	<u>\$ 5,545,833</u>	<u>\$ (145,135)</u>	<u>\$ 5,400,698</u>

Note 8 - OTHER LONG-TERM ASSETS

Other long-term assets, reported in the government-wide financial statements consists of the Council's share of the Houma School Apartments, L.L.C. (the "Project").

The Project is a 103 unit senior housing complex on the site of the former Houma Elementary School, a historic site owned by the Parish. The Project was developed and is operated by Renaissance Neighborhood Development Corporation (RNDC) a subsidiary of Volunteers of America. Under the terms of a Memorandum of Agreement (the "agreement") between RNDC and the Council, the Council will work with RNDC by providing residential referral services and supportive services for a 21 unit set aside for individuals with physical and emotional impairments. The agreement, effective March 31, 2017, will automatically renew for annual periods on each anniversary date, unless RNDC has given notice not to extend 30 days prior to expiration.

Note 8 - OTHER LONG-TERM ASSETS (Continued)

The Council's participation in the Project is evidenced by a February 2016, 50 year, 0% interest, \$5,500,000 promissory note (the "Note") due from the Project. Under terms of the Note, the Project shall pay the Parish principal and unpaid interest, if any, annually for a period of 50 years from surplus cash. On the date 50 years from the effective of a Ground Lease between the Parish and the Project (December 22, 2015), all unpaid principal and interest on the Note shall be due and payable to the Parish from surplus cash.

Note 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES

Accounts payable and accrued expenditures as of June 30, 2019 consisted of the following:

Component Unit's Accounts Payable

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Total Payables</u>
Governmental activities:			
General Fund	\$ 72,970	\$ 58,200	\$ 131,170
Title III B - Supportive Services Fund	30,066	10,055	40,121
Title III C-2 - Home Delivered Meals Fund	35,668	18,049	53,717
Rural Transportation Fund	660	10,032	10,692
Non-major Funds	<u>11,905</u>	<u>16,612</u>	<u>28,517</u>
 Total accounts payable and accrued expenditures	 <u>\$ 151,269</u>	 <u>\$ 112,948</u>	 <u>\$ 264,217</u>

The component unit's accounts payable consists of money owed to the Council and tenants' deposits as of December 31, 2018.

Note 10 - DUE TO/FROM OTHER FUNDS

Due to/from other funds are listed by fund for the year ended June 30, 2019:

	<u>Receivable</u>	<u>Payable</u>
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 36,754
Title III C- Home Delivered Meals Fund	-	49,054
Rural Transportation Fund	78,854	-
Non-major Funds	<u>832</u>	<u>103,194</u>
 Totals	 79,686	 189,002
 Title III B-Supportive Services Fund:		
General Fund	36,754	-
 Title III C- Home Delivered Meals Fund:		
General Fund	49,054	-
 Rural Transportation Fund:		
General Fund	-	78,854
 Non-major Funds:		
General Fund	<u>103,194</u>	<u>832</u>
 Grand Totals	 <u><u>\$268,688</u></u>	 <u><u>\$268,688</u></u>

The balances above resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 11 - LONG-TERM OBLIGATIONS

Long-term obligations consist of accumulated unpaid vacation and other postemployment benefit obligations. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 2019:

	Payable July 1, 2018	Obligations		Payable June 30, 2019
		Retired	Generated	
Compensated absences	\$ 290,558	\$ (125,100)	\$ 121,020	\$ 286,478
Other postemployment obligations	2,973,329	(194,845)	-	2,778,484
	<u>\$ 3,263,887</u>	<u>\$ (319,945)</u>	<u>\$ 121,020</u>	<u>\$ 3,064,962</u>

Compensated absences are described in Note 1k.

Other postemployment obligations are described in Note 14.

Note 12 - INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ended June 30, 2019:

	Operating Transfers	
	In	Out
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 946,522
Title III C-Home Delivered Meals Fund	-	1,764,821
Rural Transportation Fund	-	330,399
Non-major Funds	1,633	721,830
Totals	1,633	3,763,572
Title III B-Supportive Services Fund:		
General Fund	946,522	-
Title III C-Home Delivered Meals Fund:		
General Fund	1,764,821	-
Rural Transportation Fund:		
General Fund	330,399	-
Non-major Funds:		
General Fund	721,830	1,633
Grand Totals	<u>\$ 3,765,205</u>	<u>\$ 3,765,205</u>

Note 12 - INTERFUND TRANSFERS (Continued)

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs and projects accounted for in other funds in accordance with budgetary authorizations.

Note 13 - RISK MANAGEMENT

The Council is exposed to various risks of loss related to workers' compensation; torts; thefts of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the Council carries commercial insurance and also participates in the Parish's risk management program for group health insurance and workers' compensation. No settlements were made during the year that exceeded the Council's insurance coverage. The Council's premiums for group health insurance are based on a fixed rate per employee. The Parish handles all claims filed against the Council for which it has insurance coverage under the Parish.

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims related to group health insurance for the year ended December 31, 2018 was \$19,217,170. The Parish is covered under an insurance contract for the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claims in excess of the above limits are to be funded first by assets of the Parish's group health internal service fund, \$1,781,926 as of December 31, 2018, then secondly by the Council. Workers' compensation claims in excess of \$550,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. As of June 30, 2019 the Council had no claims in excess of the coverage limits. For the year ended June 30, 2019, total premiums paid to the Parish for group health insurance amounted to \$452,119, including the employees' portion of \$105,014, and \$87,326 for workers' compensation.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Effective July 1, 2014 the Council began providing postemployment medical, dental and life insurance benefits on behalf of it eligible retirees.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Plan Description

The Council administers a single employer defined benefit healthcare plan (the "Plan"). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their spouses as approved by the Board of Directors. Employees hired before January 1, 2013 shall be eligible to participate in the Plan approved by the Board of Directors under the following vesting schedule: 1 to 16 years of service, 60.25% of total employee premium; 17 to 20 years of service, 60.25% plus 4.00% per year; 21 to 25 years or more of service, 76.25% plus 4.75% per year after year 20, after 25 years, 100%. For all employees hired after December 31, 2012, the Plan shall be available to eligible retiring employees with a minimum of thirty years of full time service and who are at fifty nine and a half years of age at retirement. In addition to the years of service requirements, employees must have participated in the group insurance coverage for a minimum of five continuous years immediately prior to retirement. Employees who do not elect coverage at retirement are not allowed to rejoin the program at a later date.

Employee Covered by Benefit Terms

As of June 30, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>41</u>
 Total	 <u>46</u>

Total OPEB Liability

The Council's total OPEB liability of \$2,778,484 was measured as of June 30, 2019, and was determined by an actuarial valuation as of June 30, 2019.

Actuarial Assumptions and Other Inputs

The total OPEB liability in June 30, 2019 was determined using the actuarial assumptions and other inputs on the following page, applied to all periods included in the measurement, unless otherwise specified:

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Actuarial Assumptions and Other Inputs (Continued)

Measurement date	June 30, 2019
Actuarial valuation date	June 30, 2019
Inflation	2.40%
Salary increases, include inflation	3.00%
Discount rate	3.13%
Healthcare cost trend rates	Medical - 6.50% in year 1 decreasing in decrements of 0.50% per year until 5.00% through year 4. Dental - 3.25% in year 1 decreasing in decrements of 0.25% per year until 3.00% through year 2.
Retirees' share of benefit-related costs	For retirees hired before January 1, 2013, the Council will subsidize the retiree benefit-related costs based on years of service beginning at 60.25% with 16 years of service and increases 4.00% per year through 20 years of service then increasing 4.75% per year in years of service 21 through 25 where upon the subsidy will not exceed 100% after 25 For retirees hired after December 31, 2012, the Council will subsidize 100% of the retiree benefit-related costs. For spouses, the Council will subsidize an additional 75% of the amount subsidized for single only coverage.

The discount rate was based on June 30, 2019 Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the PubG.H-2010 Employee mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retirees/disables employees were based on the PubG.H-2010 Healthy Annuitant mortality table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at June 30, 2018	<u>\$ 2,973,329</u>
Changes for the year:	
Service cost	139,476
Interest	111,963
Difference between expected and actual experience	(1,105,977)
Changes in assumptions/inputs	699,521
Benefit payments	<u>(39,828)</u>
Net changes	<u>(194,845)</u>
Balance at June 30, 2019	<u><u>\$ 2,778,484</u></u>

Sensitivity to the Total OPEB Liability to Change in the Discount Rate

The following presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or higher than the current discount rate.

	1.0% Decrease (2.13%)	Current Discount Rate (3.13%)	1.0% Increase (4.13%)
Total OPEB Liability	<u>\$ 3,462,478</u>	<u>\$ 2,778,484</u>	<u>\$ 2,253,372</u>

Sensitivity of the Total OPEB Liability to Changes in the Health Cost Trend Rates

The following on the next page presents the total OPEB liability of the Council, as well as what the Council's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.50% medical and 2.25% dental) or higher (7.50% medical and 4.25% dental) than the current healthcare cost trend rates.

Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Cost Trend Rates (Continued)

	<u>1.0% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.0% Increase</u>
Total OPEB Liability	<u>\$ 2,195,021</u>	<u>\$ 2,778,484</u>	<u>\$ 3,574,804</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the Council recognized total OPEB expense of \$168,777. As of June 30, 2019, the Council reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (898,484)
Changes in assumptions/inputs	<u>559,617</u>	<u>-</u>
Totals	<u>\$ 559,617</u>	<u>\$ (898,484)</u>

Amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ (82,661)
2021	(82,661)
2022	(82,661)
2023	(82,661)
2024	(1,370)
Thereafter	<u>(6,853)</u>
Total	<u>\$ (338,867)</u>

Note 15 - THRIFT PLAN

The Council established a Thrift Plan for Employees, under Internal Revenue Code Section 403 (b), for its employees, who normally work 20 or more hours per week, as of January 1, 2002. The Thrift Plan is administered by the Council.

Benefit terms, including contribution requirements, for the Thrift Plan are established and may be amended by the Council's Board of Directors. Under this plan participating employees are permitted to make elective deferrals in amounts that are within the limits of Code Sections 403(b) and 402(g) of their compensation and the Council will match 20% of the amount contributed not to exceed 7%, of the employee's compensation after 2 years of service. An additional 20% of the amount contributed will be added per year thereafter until the match reaches 100% after 6 years. For the year ended June 30, 2019 employee contributions totaled \$145,770 and the Council recognized an expense of \$84,250.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Council contributions and earnings on Council contributions after meeting the vesting requirements below:

<u>Year of Vesting Service</u>	<u>Vesting Percentage</u>
Less than 2 years	0
2 but less than 3 years	20
3 but less than 4 years	40
4 but less than 5 years	60
5 but less than 6 years	80
6 or more years	100

Non-vested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the Thrift Plan's administrative expenses. For the year ended June 30, 2019, forfeitures reduced the Council's expense by \$1,768.

Note 16 - IRC SECTION 125 CAFETERIA PLAN

The Council provides an Internal Revenue Code Section 125 "Cafeteria" plan for all its full-time employees. Under this plan an eligible employee can elect to have a portion of their compensation reduced to pay for insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 17 - IN-KIND CONTRIBUTIONS

The Terrebonne Council on Aging, Inc. received various in-kind contributions during the year. The following facilities, goods and services were furnished at no cost to the Council:

- Congregate meal sites.
- Volunteer services.
- Volunteers' vehicle and travel.
- Building usage for the old main office, Bayou Towers, Neal Ransonet, Shady Oak, and Bonne Terre Village Senior Centers.
- Operating supplies and services.
- Material aide.

While these contributions have not been reported, the offsetting expenditures have also not been reported in the governmental fund financial statements.

Note 18 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is a defendant in several lawsuits. While it is not feasible to predict or determine the outcome of these matters, it is the opinion of Management that the ultimate outcome will not have a material adverse effect on the financial position of the Council. Accordingly, no obligation for claims has been recognized by the Council in the financial statements.

Note 19 - BOARD OF DIRECTORS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 20 - CONTINGENCIES

The Council participates in a number of federally assisted 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 collectibility 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.

Component Unit's Contingencies

On July 17, 2008, the component unit signed an agreement with Terrebonne Parish Consolidated Government to receive a deferred loan in the amount of \$300,000. These funds were used to provide a driveway, parking lot, and infrastructure for utilities, sewer, water, and drainage that will supplement the new construction of a fifty unit elderly housing complex. According to the agreement, the component unit will make no payment of principal or interest as long as it agrees to occupy the property as an elderly housing facility for a term of twenty years and remain in compliance with its agreement with Terrebonne Parish Consolidated Government.

Management intends to remain in the elderly housing facility for duration of twenty years and also remain in compliance with its agreement with Terrebonne Parish Consolidated Government. Therefore, no liability has been recorded in the accompanying financial statements for such contingencies.

Note 21 - SUBSEQUENT EVENTS

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through December 6, 2019 which is the date the financial statements were available to be issued.

GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 6,240,863	\$ 7,739,729	\$ 7,902,814	\$ 163,085
Charges for service	-	-	160	160
Interest income	20,000	70,000	88,779	18,779
Public support	9,300	4,914	11,089	6,175
Miscellaneous	284,582	282,434	19,830	(262,604)
Total revenues	<u>6,554,745</u>	<u>8,097,077</u>	<u>8,022,672</u>	<u>(74,405)</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	330,918	336,473	322,250	14,223
Fringe	95,754	99,635	96,471	3,164
Travel	13,670	12,570	8,084	4,486
Operating services	333,788	328,691	559,050	(230,359)
Operating supplies	225,461	64,511	73,689	(9,178)
Other costs	548,680	551,422	70,525	480,897
Capital outlay	511,370	835,780	722,416	113,364
Total expenditures	<u>2,059,641</u>	<u>2,229,082</u>	<u>1,852,485</u>	<u>376,597</u>
Excess of revenues over expenditures	<u>4,495,104</u>	<u>5,867,995</u>	<u>6,170,187</u>	<u>302,192</u>
Other Financing Sources (Uses)				
Insurance proceeds	-	12,000	11,863	(137)
Operating transfers in	9,292	64,330	1,633	(62,697)
Operating transfers out	(5,875,783)	(5,369,184)	(3,763,572)	1,605,612
Total other financing sources (uses)	<u>(5,866,491)</u>	<u>(5,292,854)</u>	<u>(3,750,076)</u>	<u>1,542,778</u>
Net Change in Fund Balance	<u>(1,371,387)</u>	<u>575,141</u>	<u>2,420,111</u>	<u>\$ 1,844,970</u>
Fund Balance				
Beginning of year	<u>14,675,031</u>	<u>17,157,097</u>	<u>17,157,097</u>	
End of year	<u>\$ 13,303,644</u>	<u>\$ 17,732,238</u>	<u>\$ 19,577,208</u>	

See note to required supplementary information.

BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 165,740	\$ 280,384	\$ 280,384	\$ -
Public support	2,400	2,570	3,208	638
Total revenues	<u>168,140</u>	<u>282,954</u>	<u>283,592</u>	<u>638</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	516,354	595,922	492,385	103,537
Fringe benefits	148,776	176,448	138,745	37,703
Travel	8,389	7,643	7,945	(302)
Operating services	158,817	246,651	174,263	72,388
Operating supplies	21,158	20,782	17,903	2,879
Other costs	631,390	631,167	398,873	232,294
Total expenditures	<u>1,484,884</u>	<u>1,678,613</u>	<u>1,230,114</u>	<u>448,499</u>
Deficiency of revenues over expenditures	(1,316,744)	(1,395,659)	(946,522)	449,137
Other Financing Sources				
Operating transfers in	<u>1,316,744</u>	<u>1,395,659</u>	<u>946,522</u>	<u>(449,137)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See note to required supplementary information.

BUDGETARY COMPARISON SCHEDULE
TITLE III C-2 - HOME DELIVERED MEALS FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 151,158	\$ 264,338	\$ 264,338	\$ -
Public support	41,600	47,051	53,235	6,184
Total revenues	192,758	311,389	317,573	6,184
Expenditures				
Current:				
Health and welfare:				
Salaries	815,451	879,676	724,441	155,235
Fringe benefits	235,716	260,423	162,916	97,507
Travel	2,769	2,920	1,686	1,234
Operating services	587,887	568,098	572,478	(4,380)
Operating supplies	237,229	193,420	214,569	(21,149)
Meals	500,000	477,000	406,304	70,696
Total expenditures	2,379,052	2,381,537	2,082,394	299,143
Deficiency of revenues over expenditures	(2,186,294)	(2,070,148)	(1,764,821)	305,327
Other Financing Sources				
Operating transfers in	2,186,294	2,070,148	1,764,821	(305,327)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	
See note to required supplementary information.				

BUDGETARY COMPARISON SCHEDULE
RURAL TRANSPORTATION FUND

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$ 294,049	\$ 332,600	\$ 316,511	\$ (16,089)
Charges for services	8,900	8,600	8,316	(284)
Total revenues	<u>302,949</u>	<u>341,200</u>	<u>324,827</u>	<u>(16,373)</u>
Expenditures				
Current:				
Health and welfare:				
Salaries	442,761	496,442	377,658	118,784
Fringe benefits	127,816	146,981	83,552	63,429
Travel	704	878	772	106
Operating services	373,635	350,347	157,752	192,595
Operating supplies	<u>118,552</u>	<u>123,200</u>	<u>35,492</u>	<u>87,708</u>
Total expenditures	<u>1,063,468</u>	<u>1,117,848</u>	<u>655,226</u>	<u>462,622</u>
Deficiency of revenues over expenditures	(760,519)	(776,648)	(330,399)	446,249
Other Financing Sources				
Operating transfers in	<u>760,519</u>	<u>776,648</u>	<u>330,399</u>	<u>(446,249)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund Balance				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY
INFORMATION BUDGETARY REPORTING**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

The Council adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

- GOEA notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the year.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

Exhibit L
(Continued)

- The Council may transfer funds between line items as often as required but must obtain prior approval from the GOEA for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council has established policies requiring public participation in the budget process.
- The budget for special revenue funds is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- The budget is prepared on a basis in conformity with accounting principles generally accepted in the United States of America.

**SCHEDULE OF CHANGES IN THE COUNCIL'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 139,476	\$ 135,414
Interest	111,963	104,449
Changes of benefit terms	-	-
Difference between expected and actual experience	(1,105,977)	(16,443)
Changes in assumptions or other inputs	699,521	-
Benefit payments	<u>(39,828)</u>	<u>-</u>
Net Change in Total OPEB Liability	(194,845)	223,420
Total OPEB Liability		
Beginning of year	<u>2,973,329</u>	<u>2,749,909</u>
End of year	<u>\$ 2,778,484</u>	<u>\$ 2,973,329</u>
Covered Employee Payroll	<u>\$ 1,663,699</u>	<u>\$ 1,901,247</u>
Total OPEB liability as a percentage of covered employee payroll	<u>167.01%</u>	<u>156.39%</u>
Notes to Schedule		
Changes of benefit terms	None	None
Changes of assumptions and other inputs reflected the effects of changes in the discounts rate each period	<u>3.13%</u>	<u>3.62%</u>

The schedule is provided beginning with the Council's fiscal year ended June 30, 2018 and is intended to show a ten year trend. Additional years will be reported as they become available.

SUPPLEMENTARY INFORMATION SECTION

BALANCE SHEET - GOVERNMENTAL FUND -
GENERAL FUND PROGRAMS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

	Programs of the General Fund		
	Ad Valorem Tax Monies	Act 735 Monies	Totals
Assets			
Cash	\$ 18,759,615	\$ -	\$ 18,759,615
Investments	732,324	-	732,324
Other receivables	7,914	-	7,914
Due from other funds	79,686	-	79,686
Other current assets	17,754	-	17,754
Advances to component unit	300,087	-	300,087
Total assets	<u>\$ 19,897,380</u>	<u>\$ -</u>	<u>\$ 19,897,380</u>
Liabilities			
Accounts payable and accrued expenditures	\$ 131,170	\$ -	\$ 131,170
Due to other funds	189,002	-	189,002
Total liabilities	<u>320,172</u>	<u>-</u>	<u>320,172</u>
Fund Balance			
Nonspendable:			
Deposits and prepaid expenditures	3,500	-	3,500
Advances to component unit	300,087	-	300,087
Restricted for home energy assistance	928	-	928
Committed:			
Disaster relief	3,000,104	-	3,000,104
Assigned:			
Retiree health insurance	2,778,484	-	2,778,484
Subsequent year's expenditures	460,209	-	460,209
Compensated absences	315,599	-	315,599
Litigation	50,000	-	50,000
St. George Property Development	1,000,000	-	1,000,000
Special projects	321,037	-	321,037
Unassigned	11,347,260	-	11,347,260
Total fund balance	<u>19,577,208</u>	<u>-</u>	<u>19,577,208</u>
Total liabilities and fund balance	<u>\$ 19,897,380</u>	<u>\$ -</u>	<u>\$ 19,897,380</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUND - GENERAL FUND PROGRAMS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Totals
Revenues			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs - Act 735	\$ -	\$ 45,498	\$ 45,498
Department of Transportation	266,664	-	266,664
Terrebonne Parish Consolidated Government	7,492,246	-	7,492,246
TCOA Elderly Housing, Inc.	98,406	-	98,406
Charges for service	160	-	160
Interest income	88,779	-	88,779
Public support:			
Contributions	7,488	-	7,488
Other	3,601	-	3,601
Miscellaneous:			
Other	19,830	-	19,830
Total revenues	<u>7,977,174</u>	<u>45,498</u>	<u>8,022,672</u>
Expenditures			
Current:			
Health and welfare:			
Salaries	322,250	-	322,250
Fringe	96,471	-	96,471
Travel	8,084	-	8,084
Operating services	559,050	-	559,050
Operating supplies	73,689	-	73,689
Other costs	70,525	-	70,525
Capital outlay	722,416	-	722,416
Total expenditures	<u>1,852,485</u>	<u>-</u>	<u>1,852,485</u>
Excess of revenues over expenditures	<u>6,124,689</u>	<u>45,498</u>	<u>6,170,187</u>
Other Financing Sources (Uses)			
Insurance claims	11,863	-	11,863
Operating transfers in	1,633	-	1,633
Operating transfers out	<u>(3,718,074)</u>	<u>(45,498)</u>	<u>(3,763,572)</u>
Total other financing sources (uses)	<u>(3,704,578)</u>	<u>(45,498)</u>	<u>(3,750,076)</u>
Net Change in Fund Balance	2,420,111	-	2,420,111
Fund Balance			
Beginning of year	<u>17,157,097</u>	<u>-</u>	<u>17,157,097</u>
End of year	<u>\$ 19,577,208</u>	<u>\$ -</u>	<u>\$ 19,577,208</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

	Special Revenue Funds						
	Title III C - Area Agency Administration Fund	Title III C-I - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund	Helping Hands Fund	No Wrong Door Service	Enhanced Mobility - Small Urban
Assets							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contracts receivable	-	-	-	-	-	-	-
Other receivables	-	1,192	-	108	-	-	902
Due from other funds	163	10,779	1,665	196	2,142	7,301	7,829
Total assets	<u>\$ 163</u>	<u>\$ 11,971</u>	<u>\$ 1,665</u>	<u>\$ 304</u>	<u>\$ 2,142</u>	<u>\$ 7,301</u>	<u>\$ 8,731</u>
Liabilities							
Accounts payable and accrued expenditures	\$ 163	\$ 11,971	\$ 1,665	\$ 304	\$ -	\$ -	\$ 8,731
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>163</u>	<u>11,971</u>	<u>1,665</u>	<u>304</u>	<u>-</u>	<u>-</u>	<u>8,731</u>
Fund Balances							
Restricted for:							
Donor purposes	-	-	-	-	-	-	-
Assigned for:							
Utility assistance	-	-	-	-	2,142	-	-
Special revenue purposes	-	-	-	-	-	7,301	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,142</u>	<u>7,301</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 163</u>	<u>\$ 11,971</u>	<u>\$ 1,665</u>	<u>\$ 304</u>	<u>\$ 2,142</u>	<u>\$ 7,301</u>	<u>\$ 8,731</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

June 30, 2019

	Special Revenue Funds					Totals
	Senior RX Fund	Special Fund	Medicare Improvement for Patients and Providers Act	Schriever Senior Center Fund	Capital Projects Fund	
Assets						
Cash	\$ -	\$ 850	\$ -	\$ -	\$ -	\$ 850
Contracts receivable	-	-	840	-	-	2,150
Other receivables	451	826	80	-	-	3,576
Due from other funds	1,102	57,650	-	1,226	10,899	103,194
Total assets	<u>\$ 1,553</u>	<u>\$ 59,326</u>	<u>\$ 920</u>	<u>\$ 1,226</u>	<u>\$ 10,899</u>	<u>\$ 109,770</u>
Liabilities						
Accounts payable and accrued expenditures	\$ 1,553	\$ 1,493	\$ 88	\$ -	\$ -	\$ 28,517
Due to other funds	-	-	832	-	-	832
Total liabilities	<u>1,553</u>	<u>1,493</u>	<u>920</u>	<u>-</u>	<u>-</u>	<u>29,349</u>
Fund Balances						
Restricted for:						
Donor purposes	-	11,388	-	-	10,899	22,287
Assigned for:						
Utility assistance	-	-	-	-	-	2,142
Special revenue purposes	-	46,445	-	1,226	-	55,992
Total fund balances	<u>-</u>	<u>57,833</u>	<u>-</u>	<u>1,226</u>	<u>10,899</u>	<u>80,421</u>
Total liabilities and fund balances	<u>\$ 1,553</u>	<u>\$ 59,326</u>	<u>\$ 920</u>	<u>\$ 1,226</u>	<u>\$ 10,899</u>	<u>\$ 109,770</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	Special Revenue Funds							
	Title III C - Area Agency Administration Fund	Title III C-I - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund	Helping Hands Fund	No Wrong Door Service	Transportation Fund	Enhanced Mobility - Small Urban
Revenues								
Intergovernmental:								
State of Louisiana:								
Governor's Office of Elderly Affairs	\$ 6,173	\$ 177,708	\$ 8,039	\$ 42,184	\$ -	\$ -	\$ -	\$ -
Terrebonne Parish Consolidated Government	-	-	-	-	1,212	-	-	-
Charges for services	-	-	-	-	-	-	6,075	-
Public support:								
Contributions	-	14,018	-	-	-	-	-	-
Miscellaneous:								
Program income	-	-	-	-	-	-	-	-
Total revenues	6,173	191,726	8,039	42,184	1,212	-	6,075	-
Expenditures								
Current:								
Health and welfare:								
Salaries	2,782	186,712	-	17,646	-	-	6,478	147,734
Fringe benefits	682	56,584	-	4,431	-	-	1,510	32,173
Travel	16	1,370	-	264	-	-	26	215
Operating services	2,396	106,364	-	5,347	-	-	3,104	50,104
Operating supplies	333	31,033	-	198	-	-	422	14,476
Other costs	-	-	8,039	43,701	73,753	-	-	-
Meals	-	78,418	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	6,209	460,481	8,039	71,587	73,753	-	11,540	244,702
Excess (deficiency) of revenues over expenditures	(36)	(268,755)	-	(29,403)	(72,541)	-	(5,465)	(244,702)
Other Financing Sources (Uses)								
Operating transfers in	36	268,755	-	29,403	73,753	-	5,465	244,702
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources	36	268,755	-	29,403	73,753	-	5,465	244,702
Net Change in Fund Balances	-	-	-	-	1,212	-	-	-
Fund Balances								
Beginning of year	-	-	-	-	930	7,301	1,020	-
End of year	\$ -	\$ -	\$ -	\$ -	\$ 2,142	\$ 7,301	\$ 1,020	\$ -

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	Special Revenue Funds					
	Senior RX Fund	Special Fund	Medicare Improvement for Patients and Providers Act	Schriever Senior Center Fund	Capital Projects Fund	Totals
Revenues						
Intergovernmental:						
State of Louisiana:						
Governor's Office of Elderly Affairs	\$ 75,392	\$ -	\$ 11,950	\$ -	\$ -	\$ 321,446
Terrebonne Parish Consolidated Government	-	-	-	-	-	1,212
Charges for services	-	-	-	-	-	6,075
Public support:						
Contributions	-	8,120	-	-	-	22,138
Miscellaneous:						
Program income	-	23,643	-	1,125	-	24,768
Total revenues	75,392	31,763	11,950	1,125	-	375,639
Expenditures						
Current:						
Health and welfare:						
Salaries	64,328	45,975	9,865	-	-	481,520
Fringe benefits	19,256	8,763	2,762	-	-	126,161
Travel	661	51	19	-	-	2,622
Operating services	14,515	13,806	1,832	-	-	197,468
Operating supplies	4,635	21,904	111	-	-	73,112
Other costs	-	2	-	-	-	125,495
Meals	-	-	-	-	-	78,418
Capital outlay	-	2,573	-	-	-	2,573
Total expenditures	103,395	93,074	14,589	-	-	1,087,369
Excess (deficiency) of revenues over expenditures	(28,003)	(61,311)	(2,639)	1,125	-	(711,730)
Other Financing Sources (Uses)						
Operating transfers in	28,003	69,074	2,639	-	-	721,830
Operating transfers out	-	(1,633)	-	-	-	(1,633)
Total other financing sources	28,003	67,441	2,639	-	-	720,197
Net Change in Fund Balances	-	6,130	-	1,125	-	8,467
Fund Balances						
Beginning of year	-	51,703	-	101	10,899	71,954
End of year	\$ -	\$ 57,833	\$ -	\$ 1,226	\$ 10,899	\$ 80,421

**SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

Terrebonne Council on Aging, Inc.

Houma, Louisiana

For the year ended June 30, 2019

Agency Head Name: Diana Edmonson, Executive Director

Purpose

Salary	\$176,998
Benefits - insurance	6,924
Benefits - retirement	12,809
Benefits - other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	-
Reimbursements	-
Unvouchered expenses	2,567
Travel	-
Registration fees	802
Conference travel	-
Continuing professional education fees	-
Housing	-
Meals	-
	<u>\$206,100</u>

COMPARATIVE STATEMENT OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

	Balance July 1, 2018	Additions	Adjustments /Deletions	Balance June 30, 2019
Capital Assets, at Cost:				
Land	\$ 1,694,456	\$ -	\$ -	\$ 1,694,456
Construction in progress	14,106	-	(14,106)	-
Buildings and leasehold improvements	7,297,618	249,404	-	7,547,022
Office furniture, fixtures, and equipment	489,271	47,038	(100)	536,209
Vehicles, machinery, and equipment	2,045,382	442,653	-	2,488,035
Total capital assets	\$ 11,540,833	\$ 739,095	\$ (14,206)	\$ 12,265,722
Investment in Capital Assets:				
Property acquired with funds from -				
General and other funds	\$ 6,443,670	\$ 739,095	\$ (14,206)	\$ 7,168,559
Capital Projects Fund	4,925,092	-	-	4,925,092
Title III C - 1 - Congregate Meals	-	-	-	-
Title III F - Disease Prevention and Health Promotion Services	-	-	-	-
Senior citizens	161,918	-	-	161,918
Senior Rx	-	-	-	-
Disaster assistance	10,153	-	-	10,153
Total investment in capital assets	\$ 11,540,833	\$ 739,095	\$ (14,206)	\$ 12,265,722

UNITS OF SERVICE**Terrebonne Council on Aging, Inc.**
Houma, Louisiana

For the years ended June 30, 2019 and 2018

(Unaudited)

	Units	
	2019	2018
Title III B - Supportive Services Fund:		
Information and assistance	2,789	3,538
Personal care	12,413	13,550
Outreach	693	675
Homemaker	12,675	13,282
Recreation	21,582	23,579
Transportation	44,209	44,017
Legal	99	121
Material aid	26,148	30,757
Visiting	440	550
Telephone	1,633	1,877
Wellness	14,734	14,818
Title III C-1 - Congregate Meals Fund:		
Congregate meals	34,845	37,850
Title III C-2 - Home Delivered Meals Fund:		
Home delivered meals	158,194	153,398
Title III D - Preventive Health Fund:		
Wellness	685	658
Med management	-	138
Title III E - National Family Caregiver Program Fund:		
Information and assistance	322	334
Caregiver services	2,184	2,181
Material aid	415	415
Social Services Block Grant		
Utility assistance	452	834

SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, 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 of America, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. (the "Primary Government"), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated December 6, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Primary Government'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government'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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Primary Government'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 of 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 are material weaknesses or, significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of 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 Primary Government'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 suited for any other purpose.

Bourgeois Bennett, LLC.

Certified Public Accountants.

Houma, Louisiana,
December 6, 2019.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

Compliance

We have audited the compliance of the Terrebonne Council on Aging, Inc., (the "Primary Government") a component unit of Terrebonne Parish Consolidated Government, State of Louisiana with the types of compliance requirements described in the *OMB Compliance Supplement*, that could have a direct and material effect on each of the Primary Government's major federal programs for the year ended June 30, 2019. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the Primary Government's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of "U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards" (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred.

An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination on the Primary Government's compliance.

Opinion on Each Major Federal Program

In our opinion, the Primary Government complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the Primary Government is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit, we considered the Primary Government's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Primary Government's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bourgeois Bennett, LLC.

Certified Public Accountants.

Houma, Louisiana,
December 6, 2019.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**Terrebonne Council on Aging, Inc.**
(The Primary Government)

For the year ended June 30, 2019

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Federal Revenue Recognized	Federal Expenditures	Subrecipients
Terrebonne Council on Aging, Inc.						
<u>Pass-Through Program From:</u>						
<u>Louisiana Department of Transportation and Development</u>						
<u>Terrebonne Parish Consolidated Government:</u>						
Public Transportation Operating Assistance Program for the Non-urbanized Area	20.509	6/30/2019	\$ 316,511	\$ 316,511	\$ 316,511	\$ -
Department of Health and Human Services:						
Administration on Aging:						
<u>Pass-Through Program From:</u>						
<u>Louisiana Governor's Office of Elderly Affairs:</u>						
Aging Cluster:						
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/2019	89,569	89,569	89,569	-
Title III, Part C - Nutrition Services (Area Agency Administration)	93.045	6/30/2019	4,630	4,630	4,630	-
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/2019	97,963	97,963	97,963	-
Title III, Part C-2 - Nutrition Services (Home Delivered Meals)	93.045	6/30/2019	91,361	91,361	91,361	-
Subtotal CFDA #93.045			193,954	193,954	193,954	-
Nutrition Services Incentive Program	93.053	6/30/2019	139,729	139,729	139,729	-
Total Aging Cluster			423,252	423,252	423,252	-
Special Programs for the Aging:						
Title III, Part D - Preventive Health Services	93.043	6/30/2019	8,197	8,197	8,197	-
Title III, Part E - National Family Caregiver Program	93.052	6/30/2019	31,638	31,638	31,638	-
Affordable Care Act, Medicare Improvements for Patients and Providers	93.071	6/30/2019	11,950	11,950	11,950	-
Total Department of Health and Human Services			475,037	475,037	475,037	-
Total Terrebonne Council On Aging, Inc.			\$ 791,548	\$ 791,548	\$ 791,548	\$ -

See notes to Schedule of Expenditures of Federal Awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Terrebonne Council on Aging, Inc. (The Primary Government)

June 30, 2019

Note 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "SEFA") includes the federal award activity of the Terrebonne Council on Aging, Inc. (the "Primary Government") under programs of the federal government for the year ended June 30, 2019. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operation of the Council it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Council has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

Note 3 - SUBRECIPIENTS

The Terrebonne Council on Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note 4 - FINDINGS OF NONCOMPLIANCE

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2019.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2019

Section I Summary of Auditor's Results

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ None reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

b) Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be a material weakness? ☐ Yes ☒ None reported

Type of auditor's report issued on compliance for major programs Unmodified

- Any audit findings disclosed that are required to be reported in accordance with Guidance Requirements? ☐ Yes ☒ No

Section I Summary of Auditor's Results (Continued)

c) Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
20.509	Public Transportation Operating Assistance Program for the Non-urbanized Area

Dollar threshold used to distinguish
between Type A and Type B programs: \$750,000

Auditee qualified as a low-risk auditee? X Yes No

Section II Financial Statement Findings

No financial statement findings were reported during the audit of the financial statements for the year ended June 30, 2019.

Section III Federal Award Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2019.

REPORTS BY MANAGEMENT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2019

Section I Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ending June 30, 2018.

No significant deficiencies were reported during the audit for the year ending June 30, 2018.

Compliance and Other Matters

No compliance findings material to the financial statements were reported during the audit for the year ending June 30, 2018.

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2018.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2018.

MANAGEMENT'S CORRECTIVE ACTION PLAN

Terrebonne Council on Aging, Inc. (The Primary Government)

For the year ended June 30, 2019

Section I Internal Control Over Financial Reporting and Compliance and Other Matters Material to the Basic Financial Statements

Internal Control Over Financial Reporting

No material weaknesses were reported during the audit for the year ending June 30, 2019.

No significant deficiencies were reported during the audit for the year ending June 30, 2019.

Compliance and Other Matters

No compliance findings material to the financial statements were noted during the audit for the year ending June 30, 2019.

Section II Internal Control and Compliance Material to Federal Awards

There were no federal award findings on questioned costs reported during the audit for the year ended June 30, 2019.

Section III Management Letter

A management letter was not issued in connection with the audit for the year ended June 30, 2019.

STATEWIDE AGREED-UPON PROCEDURES

INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Board of Directors,
Terrebonne Council on Aging, Inc.,
Houma, Louisiana.

We have performed the procedures described in Schedule 9, which were agreed to by the Terrebonne Council on Aging, Inc. (the "Council") and the Louisiana Legislative Auditor (LLA), solely to assist the specified users of the report in evaluating management's assertions about the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) accompanying the annual financial statements of the Council for the year ended June 30, 2019 and to determine whether the C/C areas identified in the LLA's SAUPs are free of obvious errors and omissions. Management of the Council is responsible for its C/C areas identified in the SAUPs. The sufficiency of these procedures is solely the responsibility of the specified parties in the report. Consequently, we make no representation regarding the sufficiency of the procedures described in Schedule 9, either for the purpose for which this report has been requested, or for any other purpose.

The procedures that were performed and our findings are described in Schedule 9.

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, issued by the Comptroller General of the United States of America. We are not engaged to, and did not perform an examination, or review, the objective of which would be the expression of an opinion or conclusion, respectively, on management's assertions. 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.

This report is intended solely for the information and use of the Council, the Louisiana Legislature, and the Louisiana Legislative Auditor, and it not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Bourgeois Bennett, LLC.

Certified Public Accountants

Houma, Louisiana,
December 6, 2019.

SCHEDULE OF PROCEDURES AND ASSOCIATED FINDINGS
OF THE STATEWIDE AGREED-UPON PROCEDURES

Terrebonne Council on Aging, Inc.
Houma, Louisiana

For the year ended June 30, 2019

The required procedures and our findings are as follows:

Procedures performed on the Council's written policies and procedures:

1. Obtain and inspect the Council's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Council does not have any written policies and procedures), as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Performance: Obtained and read the written policy for budgeting, and found it to address all the functions listed above.
Exceptions: There were 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.

Performance: Obtained and read the written policy for purchasing, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.
 - c) Disbursements, including processing, reviewing, and approving.

Performance: Obtained and read the written policy for disbursements, and found it to address all the functions listed above.
Exceptions: There were no exceptions noted.

Procedures performed on the Council's written policies and procedures: (Continued)

- d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of 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).

Performance: Obtained and read the written policy for receipts, and found it to address all the functions listed above.

Exceptions: There were no exceptions noted.

- e) Payroll/Personnel, including (1) payroll processing and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Performance: Obtained and read the written policy for payroll and personnel, and found it to address all the functions listed above.

Exceptions: There were 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.

Performance: Obtained and read the written policy for contracting, and found it to address all functions listed above.

Exceptions: There were 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).

Performance: Obtained and read the written policy for credit cards, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Obtained and read the written policy for travel and expense reimbursement, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

Procedures performed on the Council's written policies and procedures: (Continued)

- 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 Council's ethics policy.

Performance: Obtained and read the written policy for ethics, and found it to address all functions listed above.

Exceptions: There were no exceptions noted.

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

Performance: Inquired of management as to a debt service policy. Due to the quasi-governmental status of the Council, management does not have a policy on debt service.

Exceptions: 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 critical event.

Performance: Inquired of management about the existence of a policy for disaster recovery/business continuity.

Exceptions: The Council does not have a disaster recovery/business continuity policy.

Procedures performed on the Council's board:

- 2. Obtain and review the board 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 met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

Performance: Prior year testing resulted in no exceptions related to the Council's board. Therefore, testing is not required in the current year.

Procedures performed on the Council's board: (Continued)

- b) 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.

Performance: Prior year testing resulted in no exceptions related to the Council's board.
Therefore, testing is not required in the current year.

- c) Obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted 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 unrestricted fund balance in the general fund.

Performance: Prior year testing resulted in no exceptions related to the Council's board.
Therefore, testing is not required in the current year.

Procedures performed on the Council's bank reconciliations:

- 3. Obtain a listing of the Council's bank accounts from management and management's representation that the listing is complete. Management will identify the main operating account. Select the Council's main operating account and select four additional accounts (or all accounts if less than five). Select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

Performance: Prior year testing results in no exceptions related to bank reconciliations.
Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to bank reconciliations.
Therefore, testing is not required in the current year.

- b) Bank reconciliations include evidence that a member of management or a 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

Performance: Prior year testing resulted in no exceptions related to bank reconciliations.
Therefore, testing is not required in the current 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.

Performance: Prior year testing resulted in no exceptions related to bank reconciliations.
Therefore, testing is not required in the current year.

Procedures performed on the Council's collections:

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/check/money order (cash) are prepared and management's representation that the listing is complete. Select five deposit sites (or all deposit sites if less than five).

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select one collection location for each deposit site (i.e., collection locations for five 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:

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

- 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.

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

- 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.

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

Procedures performed on the Council's collections: (Continued)

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

7. Select two deposit dates for each of the five bank accounts selected for procedure #3 under "Procedures performed on the Council's bank reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates selected and select a deposit if multiple deposits were made on the same day). Obtain supporting documentation for each of the ten deposits and:

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

- 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 ten miles from the collection location or the deposit is less than \$100).

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to collections. Therefore, testing is not required in the current year.

Procedures performed on the Council's non-payroll disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases):

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

Performance: Obtained the listing of location that process payments, and received management's representation in a separate letter. The Council only has one location that processes payments.

Exceptions: There were 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 Council has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

Performance: Obtained a listing of those employees involved with non-payroll purchasing and payments functions, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above.

Exceptions: There were no exceptions noted.

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

Performance: Inspected policy manuals and inquired of management and employees as to requirement listed above. While the Accounting Department processes payments and has access to add vendors to the disbursement system, vendors are only added after approval of the Executive Director through purchase request approval.

Exceptions: There were no exceptions noted.

Procedures performed on the Council's non-payroll disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases): (Continued)

- 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.

Performance: Inspected policy manuals and inquired of management duties of mailing signed check.

Exceptions: After checks are signed by two authorized signers, the checks are given back to the Accounting Department to mail. The Accounting Department is also responsible for processing payments.

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

Performance: Obtained the Council's general ledger for the fiscal period, and obtained management's representation in a separate letter.

Exceptions: There were no exceptions noted.

- a) Observe that the disbursement matched the related original invoice/billing statement.

Performance: Obtained the disbursement and observed that the disbursement and the related original invoice/billing statement were in agreement.

Exceptions: There were 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.

Performance: Obtained the disbursement documentation and observed for proper segregation of duties as listed under #9 above.

Exceptions: There were no exceptions noted.

Procedures performed on the Council's credit cards, debit cards, fuel cards, P-cards:

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

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

**Procedures performed on the Council's credit cards, debit cards, fuel cards, p-cards:
(Continued)**

12. Using the listing prepared by management, select five cards (or all cards if less than five) that were used during the fiscal period, rotating cards each year. Select one monthly statement or combined statement for each card (for a debit card, 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, by someone other than the authorized card holder.

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

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

- a) For each transaction, report whether the transaction is supported by:

- 1) An original itemized receipt that identifies precisely what was purchased.

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

- 2) Written documentation of the business/public purpose.

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

- 3) Documentation of the individuals participating in meals (for meal charges only).

Performance: Prior year testing resulted in no exceptions related to credit cards. Therefore, testing is not required in the current year.

Procedures performed on the Council's travel and travel-related expense reimbursements:

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

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

- 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).

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current 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 (procedures #1h).

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to travel and travel-related expense reimbursements. Therefore, testing is not required in the current year.

Procedures performed on the Council's contracts:

15. Obtain 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. Obtain management's representation that the listing is complete. Select five contracts (or all contracts if less than five) from the listing, and:

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

Procedures performed on the Council's contracts: (Continued)

- 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.

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

- d) Select one payment from the fiscal period for each of the five 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.

Performance: Prior year testing resulted in no exceptions related to contracts. Therefore, testing is not required in the current year.

Procedures performed on the Council's payroll and personnel:

16. Obtain a listing of employees (and elected officials, if applicable) during the fiscal period and management's representation that the listing is complete. Select five employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Performance: Prior year testing resulted in no exceptions related to payroll and personnel. Therefore, testing is not required in the current year.

17. Select one pay period during the fiscal period. For the five employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

Procedures performed on the Council's payroll and personnel: (Continued)

- 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.)

Performance: Prior year testing resulted in no exceptions related to payroll and personnel.
Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to payroll and personnel.
Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to payroll and personnel.
Therefore, testing is not required in the current year.

18. Obtain from management a list of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. 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.

Performance: Prior year testing resulted in no exceptions related to payroll and personnel.
Therefore, testing is not required in the current year.

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.

Performance: Prior year testing resulted in no exceptions related to payroll and personnel.
Therefore, testing is not required in the current year.

Procedure performed on the Council's ethics:

20. Using the five selected employees/officials from procedure #16 under "Procedures performed on the Council's payroll and personnel" above, obtain ethics compliance documentation from management and:

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

Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

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

Performance: Prior year testing resulted in no exceptions related to ethics. Therefore, testing is not required in the current year.

Procedures performed on the Council's debt service:

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 the State Bond Commission approval was obtain for each bond/note issued.

Performance: Due to the quasi-governmental status of the Council, debt service procedures are no 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. 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.

Performance: Due to the quasi-governmental status of the Council, debt service procedures are no applicable.

Other procedures performed on the Council:

23. Obtain a listing of misappropriations of public funds or 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 Council reported the misappropriations(s) to the legislative auditor and the Council attorney of the parish in which the Council is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets.
Exceptions: There were no exceptions noted.

Other procedures performed on the Council: (Continued)

24. Observe and report whether the Council has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Performance: Inquired and observed such notice posted in the premises.

Exceptions: There were no exceptions noted.

Management's Overall Response to Exceptions:

1. As a response to exception reported at 1k), management is working on drafting a Disaster Recovery/Business Continuity policy to be approved by the Council before the end of fiscal year 2020.
2. As a response to exception reported at 9d), management will reassign duty of mailing checks to Front Desk Clerks who are not responsible for processing payments and does not have access to accounting software.