

**ST. TAMMANY COUNCIL
ON THE AGING, INC.**

Audit of Financial Statements

June 30, 2017



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Independent Auditor's Report

To the Board of Directors
St. Tammany Council on the Aging, Inc.
Covington, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 43 through 49, 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Council's basic financial statements. The accompanying combining schedule of revenues, expenditures, and changes in fund balance - non-major governmental funds and the comparative schedule of capital assets and changes in capital assets, as required by the Governor's Office of Elderly Affairs, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (LRS) 24:513 A, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining schedule of revenues, expenditures, and changes in fund balance - non-major governmental funds; the comparative schedule of capital assets and changes in capital assets; the schedule of expenditures of federal awards; and the schedule of compensation, benefits, and other payments to agency head are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining schedule of revenues, expenditures, and changes in fund balance - non-major governmental funds; the comparative schedule of capital assets and changes in capital assets; the schedule of expenditures of federal awards; and the schedule of compensation, benefits, and other payments to agency head are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "LaForte".

A Professional Accounting Corporation

Covington, LA
November 10, 2017

REQUIRED SUPPLEMENTARY INFORMATION (PART I)
MANAGEMENT'S DISCUSSION AND ANALYSIS

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of St. Tammany Council on the Aging, Inc. (the Council) presents a narrative overview of the financial performance and activities of the Council for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts and should be read in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Council showed an increase in overall net position of \$287,561, or 7.1%.
- Net capital assets of the Council increased by \$22,664, or 2.6%.
- The Council's fund revenues increased by \$629,685, or 14.8%.
- The Council's fund expenditures increased by \$924,677, or 25.1%.
- The unassigned fund balance for the Council's General Fund was \$3,309,803, at June 30, 2017, which is a \$214,010, or 6.9%, increase from the prior year.
- No deficit fund balances existed as of June 30, 2017.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The Council's auditor has provided assurance in the independent auditor's report, located immediately before this management's discussion and analysis, that the basic financial statements are fairly stated. The auditor also provides in the report assurance about the supplementary financial information required by Governmental Accounting Standards Board (GASB) Codification and the Governor's Office of Elderly Affairs that follow later in this reporting package. A user of this document should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the report.

REPORTING ON THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

An important point to consider is whether the Council's finances, as a whole, are better or worse as a result of this year's activities. The statement of net position and the statement of activities (referred to collectively, as the government-wide financial statements) report information about the Council as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid. The government-wide financial statements report the Council's net position and changes in net position.

As of June 30, 2017, \$0- of the net position is restricted, which means the funds can only be used for a specific purpose, whereas \$3,414,001 of the net position is unrestricted, meaning the funds can be used for any program at management's discretion along with Board approval.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Approximately \$900,000 of the unrestricted net position has been designated as a working capital reserve, the purpose of which is to have available resources to systematically phase out programs in the event of funding cancellation or delay by either legislative action or policy changes. It is important for the Council to have unrestricted net position in order to have resources available to respond to reductions in funding, emergencies, or program terminations. Additionally, the Council has \$908,181 invested in capital assets, net of related debt, giving it \$4,322,182 in total net position. The statement of net position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The statement of activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the statement of activities, including an administration function and a health, welfare, and social services function. The health, welfare, and social services function is comprised of primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, and senior citizen center operations. Subprogram activities are also presented to facilitate additional analysis. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from property taxes, governmental grants and contracts, along with donations from the general public, to provide services at little or no charge to the general public, or a segment of the general public, such as the elderly. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity.

The Council does not have any business-type activities, nor did it directly charge a fee to any eligible person receiving any registered service during the year. However, to help offset the costs of providing its services, the Council charged \$22,404 for transportation services.

REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS USING FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Council's most significant funds, not the Council as a whole. In the fund financial statements, there are column presentations for a General Fund, four special revenue funds that have been determined to be major funds, and a column for the total of all remaining special revenue funds, which are deemed to be non-major funds.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The special revenue funds account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The General Fund and special revenue funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances remaining as of June 30, 2017 that are available for future spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future for council programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the balance sheet – governmental funds. In addition, the difference between the changes in fund balances for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the statement of revenues, expenditures, and changes in fund balances - governmental funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

NOTES TO 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 financial statements are on pages 22 - 41 and should be read before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB CODIFICATION

The Governmental Accounting Standards Board Codification (GASB Codification) requires budgetary comparison schedules for the General Fund and each major special revenue fund that has an adopted annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Favorable and unfavorable variances between the final budget and actual amounts are also presented. Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is believed to be important to present to the Council's financial statement users. Management did not consider any fund that did not meet the 10% quantitative criteria to be a major fund this year.

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

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present, as schedules, the information on pages 53 and 54. This information will be used by GOEA to verify the accuracy of information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants it has with the Council.

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

The following amounts reflect condensed information on the Council's net position:

	As of 6/30/2017	As of 6/30/2016	Dollar Change
Current Assets	\$ 3,586,655	\$ 3,269,352	\$ 317,303
Capital Assets, Net of Depreciation	908,181	885,517	22,664
Total Assets	4,494,836	4,154,869	339,967
Current Liabilities	172,654	120,248	52,406
Total Liabilities	172,654	120,248	52,406
Net Position			
Net Investment in Capital Assets	908,181	885,517	22,664
Unrestricted	3,414,001	3,149,104	264,897
Total Net Position	\$ 4,322,182	\$ 4,034,621	\$ 287,561

As of June 30, 2017, the Council as a whole had assets greater than its liabilities of \$4,322,182, whereas at the end of last year the Council's net position was \$4,034,621. About 79% and 78%, of the Council's total net position as of June 30, 2017 and 2016, respectively, is unrestricted. Unrestricted net position is important because it provides the financial resources management will need to adapt to changes in the economy, emergencies, unanticipated service needs, and a reduction in or termination of grant revenues by government agencies.

The net position invested in capital assets is presented net of any related outstanding debt to acquire them. For the year presented, there is no outstanding debt related to capital asset acquisitions.

Current liabilities consisted primarily of accounts payable to vendors totaling \$56,582 (\$37,256 in fiscal year ended 2016) and accrued payroll and related liabilities that are due in the normal course of operations totaling \$92,532 (\$61,724 in fiscal year ended 2016). Also, included is \$23,540 (\$21,268 for the fiscal year ended 2016) for compensated absences that represent the Council's aggregate liability for unpaid vacation leave that its employees had earned, but not taken, as of June 30, 2017.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The table below illustrates the revenues and expenses that produced the increase in net position for the fiscal year:

	Fiscal Year 2017	% of Total	Fiscal Year 2016	% of Total
Program Revenues				
Operating Grants and Contributions	\$ 2,955,280	60.6%	\$ 2,464,727	58.0%
Charges for Services	22,404	0.5%	17,114	0.4%
General Revenues				
Property Taxes	1,782,035	36.4%	1,748,707	41.2%
Unrestricted Grants and Contributions	11,838	0.2%	9,005	0.2%
Interest Income	19,432	0.4%	6,276	0.2%
Other General Revenues	87,197	1.8%	2,672	0.1%
Total Revenues	4,878,186	100.0%	4,248,501	100.0%
Expenses				
Program Expenses				
Health, Welfare, and Social Services				
Supportive Social Services				
Transportation	2,533,216	55.1%	1,358,546	36.4%
Other Supportive Services	294,379	6.4%	277,355	7.5%
Nutrition Services				
Congregate Meals	404,696	8.8%	381,867	10.3%
Home-Delivered Meals	603,654	13.1%	555,581	14.9%
Health Promotion and Disease Prevention	21,365	0.5%	12,880	0.4%
Family Caregiver Support	86,503	1.9%	83,873	2.3%
Senior Citizen Center Operations	474,503	10.3%	419,627	11.3%
Senior Olympics	3,000	0.1%	3,623	0.1%
Resource Festival	-	0.0%	12,364	0.3%
Restricted Utility Assistance	10,380	0.2%	16,906	0.5%
Administrative Expenses	158,929	3.4%	602,230	16.2%
Total Expenses	4,590,625	100.0%	3,724,852	100.0%
Change in Net Position	287,561		523,649	
Net Position, Beginning of Year	4,034,621		3,510,972	
Net Position, End of Year	\$ 4,322,182		\$ 4,034,621	

The table above presents, in a more summarized version, the revenues and expenses of the Council's governmental activities for fiscal years 2017 and 2016.

The majority of the Council's activities are funded by a local property tax, federal and state grants and contracts, and cooperative endeavor agreements with St. Tammany Parish (the Parish).

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

One of the Council's largest sources of revenues in both years was from a local property tax. The proceeds of the property tax were \$1,782,035, for this year compared to \$1,748,707, for last year. In the statement of activities, the proceeds of the property tax have been presented as general revenues because this money can be used to benefit any of the Council's programs.

Further, management has elected to offset the gross property tax amount with the amount kept by the Sheriff rather than add it to the Council's administrative expenses because it is in substance not an administrative expense of the Council. The proceeds of the property tax represent 36.4% (41.2% for fiscal year 2016) of the Council's total governmental activity revenue this year.

Program revenues, which are comprised mainly of government grants and restricted public support, amounted to \$2,955,280 this year (\$2,464,727 last year), or about 60.6% this year (58% last year) of the Council's total governmental activity revenues. These revenues must be used for the purposes for which they were given or granted to the Council.

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

The Council had a \$287,561 change in net position (\$523,649 last year) for the 2017 fiscal year. This is a decrease of \$236,088 between fiscal year 2017 and fiscal year 2016.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

When reviewing the government-wide statement of activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Tammany Parish and right now these two services are in the greatest demand. However, there is a growing demand for in-home type services and services geared to help individuals stay in their homes and remain in the community. These in-home services include homemaker and family caregiver type services. The Council's management has identified caregiver services as a priority and plans to adjust its budget to reallocate available resources to meet the demands of this program.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Another area of interest on the statement of activities relates to the total column wherein the Council illustrates that virtually all of the governmental activities have more expenses than revenues. In other words, they are not self-supporting. Management's ability to provide these governmental activities is heavily dependent upon general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the property tax revenue and the unrestricted grants and contributions, management would have a difficult time providing services at current levels.

Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administration costs from year to year, as well as calculating the percentage administration expenses bear in relation to total expenses. For 2017, total administration expenses were \$158,929 (\$602,230 for fiscal year 2016), or 4.1% of total current year expenses (16.2% last year). Administration expenses include indirect type costs, meaning these are costs not specifically identified with a particular program, but benefit all programs.

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

Fund Balances

The Council showed a combined governmental fund balance of \$3,437,541 (as shown on the balance sheet - governmental funds on page 19) at the end of this fiscal year, which is an increase of \$267,169 from the prior year's combined governmental fund balance of \$3,170,372. The General Fund increased by \$267,169 this year, and there was no change in the combined fund balances of the special revenue funds.

Revenues

The combined fund revenues increased \$629,685 this year, as shown in the table below:

	2017	2016	Dollar Change	Total % Change
Property Taxes	\$ 1,782,035	\$ 1,748,707	\$ 33,328	1.9 %
Intergovernmental	2,914,882	2,440,255	474,627	19.4 %
Public Support	16,562	33,477	(16,915)	(50.5) %
Interest Income	19,432	6,276	13,156	209.6 %
Program Service Fees	37,578	1,984	35,594	1,794.1 %
Special Events and Fundraising	20,500	15,130	5,370	35.5 %
Miscellaneous	87,197	2,672	84,525	3,163.4 %
Total Revenues	\$ 4,878,186	\$ 4,248,501	\$ 629,685	14.8 %

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The most significant increase in revenues was intergovernmental which increased \$525,497, or 21.5%. This increase was due to the Council's ongoing contract and a cooperative endeavor agreement with St. Tammany Parish Government to increase transportation for seniors and to provide general population transportation services to St. Tammany Parish.

In addition to the revenue changes brought on by transportation services, the St. Tammany Parish millage payment received by the Council increased by \$33,328, or 1.9%, for the 2017 fiscal year.

All other revenue categories did not increase or decrease significantly from last year. Accordingly, management has not provided any discussion.

Expenditures

Total combined fund expenditures increased by \$924,677 this year, as shown in the table below:

	2017	2016	Dollar Change	Total % Change
Personnel	\$ 1,958,352	\$ 1,437,230	\$ 521,122	36.3 %
Fringe	481,105	336,592	144,513	42.9 %
Travel	22,221	14,590	7,631	52.3 %
Operating Services	1,047,549	855,739	191,810	22.4 %
Operating Supplies	277,723	202,248	75,475	37.3 %
Other Costs	97,757	179,062	(81,305)	(45.4) %
Meals	528,541	508,286	20,255	4.0 %
Utility Assistance	10,380	16,906	(6,526)	(38.6) %
Special Events and Fundraising	5,571	18,544	(12,973)	(70.0) %
Other Expenses	21,365	12,880	8,485	65.9 %
Capital Outlay	160,453	104,263	56,190	53.9 %
Total Expenditures	\$ 4,611,017	\$ 3,686,340	\$ 924,677	25.1 %

Increases in personnel and fringe were the result of organizational restructuring and wage compensation adjustments to existing positions, as well as additional personnel hired to expand the transportation department to meet the needs of the Council's agreements with St. Tammany Parish Government.

Operating services, operating supplies, and other costs increased due to the expansion of the transportation department in order to provide additional services to the elderly and to the population of the Parish.

Capital outlay increased by \$56,190 as a result of continuing improvements to the Ramos Avenue main office building and the purchase of two new Ford vans.

ST. TAMMANY COUNCIL ON THE AGING, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AN ANALYSIS OF THE GENERAL FUND BUDGET

A schedule of the budget for the General Fund can be found in the required supplementary information on page 43.

The Council's original budget for the 2017 fiscal year, was budgeted to operate with a deficit that would have been covered through the use of accumulated unrestricted funds from prior years. Two major budgetary changes occurred during the fiscal year, an increase in the millage amount received and the expansion of the transportation department.

The explanations above account for the most significant variances for the General Fund's budget. The remaining variances within the General Fund are within the expectations of management.

AN ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2017, the Council had \$908,181 in capital assets, net of accumulated depreciation. This amount is a net increase over last year of \$22,664.

	2017	2016	Change
Building	\$ 733,293	\$ 680,633	\$ 52,660
Vehicles	83,539	118,728	(35,189)
Office Furniture and Equipment	23,843	24,183	(340)
Computer Equipment	53,201	44,142	9,059
Nutrition Equipment	14,305	15,731	(1,426)
Construction in Progress	-	2,100	(2,100)
Total Assets, Net of Depreciation	\$ 908,181	\$ 885,517	\$ 22,664

During fiscal year 2017, the Council purchased two new vehicles totaling \$43,213. Renovations and upgrades totaling \$86,273 were performed to senior centers, as well as to the transportation department offices and the main office on Ramos Avenue.

Depreciation expense for the year was \$137,789, and as of June 30, 2017, the total accumulated depreciation was \$1,021,736.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal, state, and local agencies. 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 services provided by the Council and, therefore, revenues may vary from year to year.

In setting its budget for fiscal year 2018, it was important to management that at least the same level of service be delivered to clients and the public as were provided in fiscal year 2017.

All the Council's grants and contracts from the usual federal and state agencies have been approved for fiscal year 2018. There have been no significant changes to the funding levels or terms of the grants and contracts. Management has budgeted \$5,071,017 of revenues and expenditures for the Council's programs in fiscal year 2018. The Governor's Office of Elderly Affairs has approved the Council's initial budget for fiscal year 2018.

Most of the property tax revenue that is expected to be received in the fiscal year will not be received until between February and March of 2018. Since the timing of the receipt of these funds is in the latter part of the fiscal year, the Council maintains significant cash balances at fiscal year-end in order to maintain continuity of operations in the next fiscal year until the property tax payments are received.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Julie Agan, Executive Director, P.O. Box 171, Covington, Louisiana, 70434 (72060 Ramos Avenue, Covington, Louisiana, 70433); (985) 892-0377; coast@coastseniors.org.

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

ST. TAMMANY COUNCIL ON THE AGING, INC.
Statement of Net Position
June 30, 2017

Assets	
Cash and Cash Equivalents	\$ 350,638
Investments	2,959,541
Receivables	147,738
Deposits	1,000
Prepaid Expenses and Other Assets	127,738
Capital Assets, Net of Accumulated Depreciation	<u>908,181</u>
Total Assets	<u>4,494,836</u>
Liabilities	
Accounts Payable	56,582
Accrued Payroll and Related Liabilities	92,532
Compensated Absences - Unpaid Accumulated Vacation Leave	<u>23,540</u>
Total Liabilities	<u>172,654</u>
Net Position	
Net Investment in Capital Assets	908,181
Unrestricted	<u>3,414,001</u>
Total Net Position	<u>\$ 4,322,182</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Statement of Activities
For the Year Ended June 30, 2017

Function/Programs	Direct Expenses	Indirect Expenses	Program Revenues		Net (Expense)
			Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
					Total Governmental Activities
Governmental Activities					
Health, Welfare, and Social Services					
Supportive Social Services					
Transportation	\$ 2,136,832	\$ 396,384	\$ 22,404	\$ 1,699,749	\$ (811,063)
Homemaker	69,854	13,220	-	229,232	146,158
Legal	16,000	-	-	-	(16,000)
Information and Assistance	40,742	7,710	-	-	(48,452)
Outreach	3,182	602	-	-	(3,784)
Personal Care	50,911	9,635	-	-	(60,546)
Medic Alert	14,115	625	-	-	(14,740)
Other Services	64,320	3,463	-	-	(67,783)
Nutritional Services					
Congregate Meals	341,387	63,309	-	209,343	(195,353)
Home-Delivered Meals	508,166	95,488	-	384,563	(219,091)
Health Promotion and Disease Prevention	21,365	-	-	9,994	(11,371)
Family Caregiver Support	72,738	13,765	-	72,393	(14,110)
Senior Citizen Center Operations	400,586	73,917	-	247,743	(226,760)
Senior Olympics	3,000	-	-	-	(3,000)
Restricted Utility Assistance	10,380	-	-	4,724	(5,656)
Administrative Expenses	837,047	(678,118)	-	97,539	(61,390)
Total Governmental Activities	\$ 4,590,625	\$ -	\$ 22,404	\$ 2,955,280	(1,612,941)
General Revenues					
Grants and Contributions not Restricted to Specific Programs					11,838
Property Taxes					1,782,035
Miscellaneous Income					87,197
Interest Income					19,432
Total General Revenues					1,900,502
Change in Net Position					287,561
Net Position, Beginning of Year					4,034,621
Net Position, End of Year					\$ 4,322,182

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

ST. TAMMANY COUNCIL ON THE AGING, INC.
Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Special Revenue Funds				Non-Major Funds	Total Governmental Funds
		Title III B	Title III C-1	Title III C-2	Senior Center		
Assets							
Cash and Cash Equivalents	\$ 350,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,638
Investments	2,959,541	-	-	-	-	-	2,959,541
Receivables	147,738	-	-	-	-	-	147,738
Other	127,738	-	-	-	-	-	127,738
Deposits	1,000	-	-	-	-	-	1,000
Total Assets	\$ 3,586,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,586,655
Liabilities							
Accounts Payable	\$ 56,582	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,582
Accrued Payroll	92,532	-	-	-	-	-	92,532
Total Liabilities	149,114	-	-	-	-	-	149,114
Fund Balances							
Nonspendable	127,738	-	-	-	-	-	127,738
Unassigned	3,309,803	-	-	-	-	-	3,309,803
Total Fund Balances	3,437,541	-	-	-	-	-	3,437,541
Total Liabilities and Fund Balances	\$ 3,586,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Compensated absences are not paid for out of current financial resources and, therefore, are not reported as liabilities in the governmental funds.	(23,540)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	<u>908,181</u>
Total Net Position for Governmental Activities	<u>\$ 4,322,182</u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	General Fund	Special Revenue Funds				Non-Major Funds	Total Governmental Funds
		Title III B	Title III C-1	Title III C-2	Senior Center		
Revenues							
Intergovernmental							
Governor's Office of Elderly Affairs -							
Primary Grants	\$ 3,260	\$ 228,571	\$ 197,962	\$ 265,914	\$ 244,483	\$ 158,128	\$ 1,098,318
NSIP Grant	-	-	-	116,816	-	-	116,816
St. Tammany Parish - Transportation Program	1,699,748	-	-	-	-	-	1,699,748
City of Covington	6,000	-	-	-	-	-	6,000
Property Taxes	1,782,035	-	-	-	-	-	1,782,035
Client Contributions for Specific Services	-	661	11,381	1,833	-	1,299	15,174
Utility Companies for Utility Assistance	-	-	-	-	-	4,724	4,724
General Public Donations	5,838	-	-	-	-	-	5,838
Transportation	22,404	-	-	-	-	-	22,404
Interest Income	19,432	-	-	-	-	-	19,432
Special Events and Fundraising	20,500	-	-	-	-	-	20,500
Miscellaneous Income	87,197	-	-	-	-	-	87,197
Total Revenues	3,646,414	229,232	209,343	384,563	244,483	164,151	4,878,186
Expenditures							
Health, Welfare, and Social Services							
Current							
Personnel	630,838	879,463	110,803	97,807	177,564	61,877	1,958,352
Fringe	153,000	217,663	27,423	24,207	43,946	14,866	461,105
Travel	1,887	5,687	2,985	659	10,875	128	22,221
Operating Services	351,784	462,202	5,032	35,974	127,455	65,102	1,047,549
Operating Supplies	77,992	156,927	-	9,883	30,746	2,175	277,723
Other Costs	42,394	50,895	-	-	1,938	2,530	97,757
Meals	-	-	192,506	336,035	-	-	528,541
Utility Assistance	-	-	-	-	-	10,380	10,380
Health Promotion and Disease Prevention	-	-	-	-	-	21,365	21,365
Special Events and Fundraising	5,571	-	-	-	-	-	5,571
Capital Outlay	124,415	21,027	-	-	15,011	-	160,453
Total Expenditures	1,387,881	1,793,864	338,749	504,565	407,535	178,423	4,611,017
Excess (Deficiency) of Revenues Over Expenditures	2,258,533	(1,564,632)	(129,406)	(120,002)	(163,052)	(14,272)	267,169
Other Financing Sources (Uses)							
Operating Transfers In	-	1,564,632	129,406	120,002	163,052	17,372	1,994,464
Operating Transfers Out	(1,991,364)	-	-	-	-	(3,100)	(1,994,464)
Total Other Financing Sources (Uses)	(1,991,364)	1,564,632	129,406	120,002	163,052	14,272	-
Net Change in Fund Balances	267,169	-	-	-	-	-	267,169
Fund Balances, Beginning of Year	3,170,372	-	-	-	-	-	3,170,372
Fund Balances, End of Year	\$ 3,437,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,437,541

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 267,169
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	22,664
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>	
<p>Compensated Absences - Unpaid Accumulated Vacation Leave</p>	<u>(2,272)</u>
<p>Change in Net Position of Governmental Activities</p>	<u><u>\$ 287,561</u></u>

The accompanying notes are an integral part of these financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The accounting and reporting policies of St. Tammany Council on the Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB). The following is a summary of certain significant accounting policies used by the Council:

Purpose of the Council on the Aging

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

Specific services provided by the Council to the elderly residents of St. Tammany Parish include providing congregate and home-delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, medication management, medic alert units, in-home respite care, personal care, sitter services, support groups, public education, senior centers, utility assistance, homemakers, recreation, legal assistance, wellness, and transportation. The Council also provides transportation services to the general public, primarily the elderly, of St. Tammany Parish.

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 GOEA with the specific intention to administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies as well as the policies and regulations established by the GOEA.

The Council is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on April 4, 1967 and subsequently incorporated on September 5, 1968 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

A Board of Directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. A board member who has served two consecutive terms is ineligible to serve on the Board of Directors for one year. Reasonable efforts are made to maintain a Board of Directors who is representative of the population of St. Tammany Parish. Nominations to fill expiring terms of board members are made in April to the Council's membership committee that will consider and screen the nominations. The membership committee nominates who it believes to be the best-qualified persons to the board. The members of the Council elect board members at their annual membership meeting in June. Any adult citizen of St. Tammany Parish, age 60 and over, may register to be a member of the Council. Membership fees are not charged.

Based on the criteria set forth in GASB Codification Section 2100, *Defining the Financial Reporting Entity*, the Council is not a component unit of another primary government nor does it have any component units that are related to it. The Council presents its financial statements as a special purpose, stand-alone government; accordingly, it applies the provisions of GASB as if it were a primary government.

Basis of Presentation of the Basic Financial Statements

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

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

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 is eliminated from the statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position resulting from the activities of the current fiscal year. Governmental activities generally are supported by intergovernmental revenues and property tax revenues.

In the government-wide statement of net position, a single column is presented for total governmental activities which are presented on a consolidated basis.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-Wide Financial Statements (Continued)

The statement of net position is prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues such as intergovernmental revenues, property taxes, and unrestricted public support, particularly if the function or program has a net cost.

The statement of activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues such as charges for services, operating and capital grants, and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs. The statement of activities shows this allocation in a separate column labeled indirect expenses. The GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

In the statement of activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence, and are separately reported below general revenues. There were no special items this year.

Fund Financial Statements

The daily accounts and operations of the Council continue to be organized using funds and account groups. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, 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 are reported by generic classification within the financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net position. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, no additional funds were deemed to be major funds by management. The non-major funds are summarized by category or fund type into a single column in the fund financial statements.

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

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund.

The following are brief descriptions of the programs that comprise the Council's General Fund:

Local Programs and Funding - The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire capital assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are generally recorded in the local program. Because these funds are mostly unrestricted, they are often transferred to other programs and funds to eliminate deficits in cases where the expenditures of the other programs and funds exceeded their revenues.

Senior Citizen Activities - The Council operates centers in Slidell, Lacombe, Covington, Mandeville, Folsom, Bush, and Pearl River. The revenues and related expenditures for senior center activities are maintained separately within the Council's general ledger.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are brief descriptions of the purpose of each special revenue fund and the classification as either a major or non-major governmental fund:

Major Governmental Funds

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

<u>Service</u>	<u>Units</u>
Homemaker	3,184
Legal Assistance	246
Material Aid	2,052
Outreach	200
Recreation	23,964
Transportation	44,992
Medic Alert	491
Information and Assistance	1,554
Chore	618

Title III C-1 Fund - The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout St. Tammany Parish. The Council maintains meal sites in Slidell, Mandeville, Covington, Lacombe, Folsom, Bush, and Pearl River. During the year, the Council served 60,567 meals to people eligible to participate in this program.

Title III C-2 Fund - The Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 103,690 meals during the year to people eligible to participate in this program.

Senior Center Fund - The Senior Center Fund accounts for the administration of senior center program funds appropriated by the Louisiana Legislature to the GOEA, which, in turn, passes through the funds to the Council. The purpose of this program is to provide a community service center where elderly people 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. The primary senior centers for the Parish are located in Covington, Lacombe, Mandeville, Pearl River, and Slidell.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Major Governmental Funds (Continued)

In addition, satellite senior centers are located in Folsom and Bush. Senior center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Management did not transfer any of this year's senior center grant funds to any other programs. All revenue received in the Senior Center Fund account was used to pay operating costs for the senior centers.

Non-Major Governmental Funds

Area Agency Administration (AAA) Fund - The Area Agency Administration Fund is used to account for a portion of the indirect costs of administering the Council's programs. The Council allocates administrative costs to this fund first. Once the GOEA funds are completely used, any indirect costs in excess of the funds provided by the 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. Indirect costs are not allocated to all funds because program restrictions may prohibit or limit the payment of administrative costs.

Title III D Fund - The Title III D Fund accounts are used for wellness, which includes disease prevention and health promotion activities.

Title III E Fund - The Title III E Fund accounts relate to the National Family Caregiver Support program. The National Family Caregiver Support program is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. This program targets older, low-income individuals. Specific types of services that can be provided by this program include: material aid, support groups, respite care, sitter service, and information and assistance. Eligible participants include (1) adult family members, or another adult person, who provide uncompensated in-home and community care to an older person who needs supportive services or (2) grandparents, or a person 60 years of age or older, who is related to a child by blood or marriage and (a) lives with the child, (b) is the primary caregiver, and (c) has a legal relationship to the child or is raising the child informally. During the year, the Council provided 1,567 units of information and assistance, 1,556 units of in-home respite care, 2,052 units of material aid, 1,688 units of personal care, 81 units of support group services, and 49 units of public education.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements (Continued)

Non-Major Governmental Funds (Continued)

Supplementary Senior Center Fund - The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. Due to the census, the Council was one of the parish councils to receive an amended supplemental grant. The money received by this fund during the year is transferred to the Senior Center Fund to supplement the services provided by this fund. The GOEA provided these funds to the Council.

Utility Assistance Fund - The Utility Assistance Fund accounts for the administration of utility assistance programs sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The contributions can only be used to pay for direct services. No indirect or administration expenses can be paid for with these funds. The Council's general policy is to provide utility assistance of up to \$200 per eligible person per instance, not to exceed two instances per year. During the year, the Council was able to provide assistance in 126 instances for different people with these funds.

Measurement Focus and Basis of Accounting

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

Government-Wide Financial Statements - Accrual Basis

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

Fund Financial Statements - Modified Accrual Basis

Governmental fund financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that current assets and current liabilities are included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within six months of the current fiscal year-end, except for property tax revenues, which are accrued if they are collected within 60 days of year-end.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - Modified Accrual Basis (Continued)

Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost that is not recognized in the governmental funds.

Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid. In the government-wide financial statements, transfers between funds are netted against one another as part of the reconciliation of the changes in fund balances in the fund financial statements to the change in net position.

Cash and Cash Equivalents

Cash and cash equivalents include not only currency on hand, but also demand deposits and money market funds with banks or other financial institutions. The Council considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

For purposes of the statement of net position, restricted cash is amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose.

Receivables

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

Investments

GASB Codification Section 150, *Investments*, requires the Council to report its investments at fair value in the statement of net position, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council had investments of \$2,959,541, at June 30, 2017.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

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

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

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

The estimated useful lives of the depreciable capital assets are as follows:

Buildings and Leasehold Improvements	20 - 30 Years
Vehicles	5 - 9 Years
Furniture and Equipment - Other than Computers	6 - 10 Years
Computer Equipment and Software	5 Years

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

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

Note 1. Summary of Significant Accounting Policies (Continued)

Unpaid Compensated Absences

The Council's policies for vacation leave permits employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide financial statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the statement of net position. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect as of June 30, 2017.

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

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

Net Position in the Government-Wide Financial Statements

In the government-wide statement of net position, the net asset amount is classified and displayed in three components:

- *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 capital assets.
- *Restricted net position* - consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - consists of all other net position that does not meet the definition of restricted or net investment in capital assets.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Net Position in the Government-Wide Financial Statements (Continued)

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's normal policy is to use restricted resources first to finance its activities, except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract are used to pay for raw food that is bought and served to a person eligible to receive a meal under the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Unrestricted resources are available for use that must be consumed or they will be returned to the grantor agency; therefore, management elects to apply and consume the unrestricted resources before the restricted resources. As a result, in this case, the Council will depart from its usual policy of using restricted resources first.

Fund Balance - Fund Financial Statements

The Council has adopted GASB Codification Sections 1300, *Fund Accounting*, and 1800, *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

Fund balance is reported in five components: nonspendable, restricted, committed, assigned, and unassigned.

- *Nonspendable* - consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* - consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Council to assess, levy, change, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* - consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balance - Fund Financial Statements (Continued)

- *Assigned* - consists of amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* - consists of amounts that have not been restricted, committed, or assigned to specific purposes within the General Fund. When both restricted and unrestricted resources are available for use, the Council uses restricted resources first, then unrestricted resources (committed, assigned, and unassigned).

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.

As of June 30, 2017, the Council had no restricted, committed, or assigned fund balances.

Net Position

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components: net investment in capital assets consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; restricted distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and unrestricted consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position. The Council had no deferred inflows or outflows for the year ended June 30, 2017.

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 may differ from those estimates.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Allocation of Indirect Expenses

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

Income Taxes

Under the provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Council is exempt from taxes on income other than unrelated business income. Since the Council had no net unrelated business income during the year ended June 30, 2017, no provision for income tax was made.

Accounting principles generally accepted in the United States of America provide accounting and disclosure guidance about positions taken by an entity in its tax returns that might be uncertain. The Council believes that it has appropriate support for any tax positions taken, and management has determined that there are no uncertain tax positions that are material to the financial statements.

Note 2. Cash

The Council maintains a consolidated operating bank account at a financial institution, which is available for use by all funds to deposit revenues and pay expenses. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains a demand deposit account for payroll disbursements and a savings account for easy access to funds should they be needed for operations.

The Council has concentrated its credit risk by maintaining deposits in banks located within the same geographic region that may, at times, exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). The Council has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 3. Investments

Investments - LAMP

At June 30, 2017, the Council had an investment of \$2,959,541 with the Louisiana Asset Management Pool (LAMP). LAMP is administered by LAMP, Inc., a non-profit corporation, organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LRS 33:2955. GASB Codifications C20, *Cash Deposits with Financial Institutions*, and I50, *Investments*, require disclosure of credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for all public entity investments.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79. The following facts are relevant for investment pools:

- Credit risk: LAMP is rated AAAm by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5% disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate risk disclosures using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments.
- Foreign currency risk: Not applicable.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and the board of directors. LAMP is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company. If you have any questions, please feel free to contact the LAMP administrative office at (800) 249-5267.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 4. Capital Assets

A summary of changes in capital assets and accumulated depreciation at June 30, 2017, is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 2,100	\$ -	\$ (2,100)	\$ -
Total Capital Assets Not Being Depreciated	<u>2,100</u>	<u>-</u>	<u>(2,100)</u>	<u>-</u>
Capital Assets Being Depreciated				
Buildings and Leasehold Improvements	889,013	88,372	-	977,385
Vehicles	709,254	43,213	-	752,467
Office Furniture and Equipment	65,311	4,607	-	69,918
Computer Equipment and Software	73,769	25,149	-	98,918
Nutrition Equipment	30,017	1,212	-	31,229
Total Capital Assets Being Depreciated	<u>1,767,364</u>	<u>162,553</u>	<u>-</u>	<u>1,929,917</u>
Less Accumulated Depreciation for:				
Buildings and Leasehold Improvements	(208,380)	(35,712)	-	(244,092)
Vehicles	(590,526)	(78,402)	-	(668,928)
Office Furniture and Equipment	(41,128)	(4,947)	-	(46,075)
Computer Equipment and Software	(29,627)	(16,090)	-	(45,717)
Nutrition Equipment	(14,286)	(2,638)	-	(16,924)
Total Accumulated Depreciation	<u>(883,947)</u>	<u>(137,789)</u>	<u>-</u>	<u>(1,021,736)</u>
Total Capital Assets Being Depreciated - Net	<u>883,417</u>	<u>24,764</u>	<u>-</u>	<u>908,181</u>
Capital Assets - Net	<u>\$ 885,517</u>	<u>\$ 24,764</u>	<u>\$ (2,100)</u>	<u>\$ 908,181</u>

The Council's management has reviewed the remaining capital assets and does not believe any of them to have been impaired as of fiscal year-end. Depreciation was charged to governmental activities as follows:

Administration	\$ 47,789
Supportive Social Services: Transportation	73,761
Senior Citizen Center Operations	10,001
Nutrition Services: Congregate Meals	2,638
Nutrition Services: Home-Delivered Meals	3,600
Net Depreciation Expense	<u>\$ 137,789</u>

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 5. Compensated Absences

For purposes of the statement of net position, the Council has presented all of its accumulated unpaid vacation leave as a current liability. Vested amounts should be used before the end of the next fiscal year; therefore, no liability for vacation leave has been presented in the balance sheet - governmental funds. Vacation leave is not a liability until the employee has made a request to use it or terminates employment with the Council. As of June 30, 2017, compensated absences were \$23,540.

Note 6. Property Tax

During fiscal year 2009, a property tax was adopted by the voters of St. Tammany Parish to provide money to finance the Council's operations. The property tax was renewed for an additional 10-year period in December 2016. The St. Tammany Parish Assessor will assess the property tax each November 15 for ten years. The tax will be based upon the assessed value, less homestead exemptions, on all real and business property located within the Parish. One mill is the maximum amount the Council may legally elect to assess property owners each year. Accordingly, management has estimated the initial gross amount of property tax payable, excluding back tax settlements, to the Council for this fiscal year to be approximately \$1,725,000.

Property taxes are due on November 15 and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The St. Tammany Parish Sheriff acts as the collection agent for property taxes and does not charge the Council any commission for performing this service. In an effort to collect all taxes due for the Parish, the Sheriff will have a tax sale each year.

The Council records property taxes as revenues in accordance with the modified accrual basis of accounting. The Council also accrues, as current year revenues, any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available.

Property tax revenues in the statement of revenues, expenditures, and changes in fund balances - governmental funds include \$58,608 withheld by the Sheriff to make on-behalf payments for fringe benefits, which represent the Council's pro rata share of retirement plan contributions for other governmental units. This amount has been included as a component of intergovernmental expenditures in the statement of revenues, expenditures, and changes in fund balances - governmental funds. For purposes of the government-wide statement of activities, property tax revenues of \$1,840,643 were reduced by \$58,608 withheld by the Parish for retirement benefits and administrative charges to produce net property tax revenue of \$1,782,035, which was a component of general revenues on that statement.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 7. In-Kind Contributions

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

The Council received the following in-kind contributions during the year for its senior centers and meal sites, which management estimates the aggregate in-kind value to be \$90,000:

- The Slidell Senior Center is furnished by the City of Slidell for an annual cost of \$1 for rent.
- The Mandeville meal site is furnished by the City of Mandeville without charge for rent and utilities.
- The Town of Pearl River furnishes the Pearl River meal site at no charge. Furthermore, the Council is responsible for paying the utility bills and a monthly cleaning fee.

Note 8. Board of Directors Compensation

The Board of Directors is a voluntary board. Board members do not receive compensation. Board members can submit an expense request form for out-of-pocket expenses that are in accordance with the Council's travel reimbursement policy.

Note 9. Judgements, Claims, and Similar Contingencies

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; officer and directors' liability; business interruption; natural disasters; and volunteer liability. Except for business interruption and certain acts of God, the Council has purchased commercial insurance to reduce the risk of loss that may arise in the event of these occurrences. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 9. Judgements, Claims, and Similar Contingencies (Continued)

The Council is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management, the outcome of such actions will have no material impact on the financial condition or results of operations for the Council.

Note 10. Contingencies - Grant Programs

The Council participates in state and federal grant programs governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit by the grantor agencies; therefore, any noncompliance may cause funds to be returned to the grantor. In management's opinion, there are no significant contingent liabilities related to compliance with rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any disallowed costs should be recognized in the period agreed upon by the grantor agency and the Council.

Note 11. Economic Dependency

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

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

Note 12. Related Party Transactions

There were no related party transactions during the year ended June 30, 2017.

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 13. Lease and Rental Commitments

On July 30, 1994, the Council entered into a 20-year lease with the City of Slidell whereby the Council will rent from the City, for \$1 per year, a building referred to as the Slidell Senior Citizens Center at 610 Cousin Street, Slidell, Louisiana. The Council has the right to renew this lease for 10 additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The City will be responsible for any repair requiring labor and material of \$501 or more. This location was destroyed by Hurricane Katrina in August 2005 and was reconstructed by the City of Slidell, and was reopened in March 2013. On May 22, 2014, the Council renewed this lease for the additional 10 years under the same terms and conditions.

On March 1, 2013, the Council entered into a Cooperative Endeavor Agreement with St. Tammany Parish Government to lease the Bush Community Center located at 81605 Highway 41, Bush, Louisiana. The Parish agrees to provide electric, water, and sewer utilities to the Center. The Council uses the Center on a non-exclusive basis and only for services to the Parish's senior citizens, including any and all services related thereto.

On September 30, 2014, the Council entered into a lease agreement with Ricoh USA, Inc. for a Ricoh MPC4503 copier. The term of the lease is 60 months with monthly payments of \$299. For years ending June 30, 2018 and 2019, the Council will have minimum lease payments of \$3,592 and in the year ending June 30, 2012, the Council will have a minimum lease payment of \$898.

On October 26, 2015, the Council entered into a three-year lease to rent the property at 527 N. Theard Street, Covington, Louisiana for \$4,400 per month. The Council is responsible for paying all utilities, including water, gas, electrical power, and fuel consumed in or on the premises. The Council is also responsible for maintaining fire and extended coverage insurance for the premises. For the year ending June 30, 2018, the Council will have minimum lease payments of \$52,800 and in the year ending June 30, 2019, the Council will have minimum lease payments of \$22,000.

Rental and lease payments for all operating leases totaled \$77,250, for the year ended June 30, 2017.

The future minimum lease payments under non-cancelable operating leases for the years ending June 30th are as follows:

2018	\$	57,442
2019		25,592
2020		<u>898</u>
Total	\$	<u><u>83,932</u></u>

ST. TAMMANY COUNCIL ON THE AGING, INC.

Notes to Financial Statements

Note 14. Interfund Transfers - Fund Financial Statements

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

Fund	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,991,364
Title III B	1,564,632	-
Title III C-1	129,406	-
Title III C-2	120,002	-
Title III D	11,371	-
Title III E	345	-
Senior Center	163,052	-
Supplementary Senior Center	-	3,100
Restricted Utility Assistance	5,656	-
Total	\$ 1,994,464	\$ 1,994,464

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect the fund to the fund that statute or budget requires to expend the fund and (b) shift unrestricted revenues collected in the General Fund and certain special revenue funds to finance various programs accounted for in other funds in accordance with budgetary authorizations or operational needs. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

Note 15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 10, 2017, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION (PART II)

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs -				
Primary Grant	\$ -	\$ -	\$ 3,260	\$ 3,260
City Support	6,000	6,000	6,000	-
Property Taxes	1,725,000	1,831,279	1,782,035	(49,244)
Public Support	2,500	2,031	5,838	3,807
Transportation	1,455,551	1,610,974	1,722,152	111,178
Entry Fees for Senior Olympics	1,000	-	-	-
Interest Income	600	13,472	19,432	5,960
Special Events and Fundraising	9,000	20,535	20,500	(35)
Miscellaneous Income	-	10,321	87,197	76,876
Total Revenues	3,199,651	3,494,612	3,646,414	151,802
Expenditures				
Current				
Personnel	649,701	642,650	630,838	11,812
Fringe	144,408	168,281	153,000	15,281
Travel	1,788	2,481	1,887	594
Operating Services	359,631	334,719	351,784	(17,065)
Operating Supplies	65,389	79,574	77,992	1,582
Other Costs	45,475	44,641	42,394	2,247
Special Events and Fundraising	21,050	6,770	5,571	1,199
Capital Outlay	118,015	130,982	124,415	6,567
Total Expenditures	1,405,457	1,410,098	1,387,881	22,217
Excess of Revenues Over Expenditures	1,794,194	2,084,514	2,258,533	174,019
Other Financing Uses				
Operating Transfers Out	(1,794,194)	(2,084,514)	(1,991,364)	93,150
Net Change in Fund Balance	\$ -	\$ -	267,169	\$ 267,169
Fund Balance, Beginning of Year			3,170,372	
Fund Balance, End of Year			\$ 3,437,541	

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Title III B Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs -				
Primary Grant	\$ 328,571	\$ 328,571	\$ 228,571	\$ (100,000)
Public Support - Client Contributions	1,200	743	661	(82)
Total Revenues	329,771	329,314	229,232	(100,082)
Expenditures				
Current				
Personnel	920,459	918,282	879,463	38,819
Fringe	204,588	240,457	217,663	22,794
Travel	3,559	4,872	5,687	(815)
Operating Services	386,710	446,984	462,202	(15,218)
Operating Supplies	117,890	158,189	156,927	1,262
Other Costs	46,343	49,754	50,895	(1,141)
Capital Outlay	62,227	14,217	21,027	(6,810)
Total Expenditures	1,741,776	1,832,755	1,793,864	38,891
Deficiency of Revenues Over Expenditures	(1,412,005)	(1,503,441)	(1,564,632)	(61,191)
Other Financing Sources				
Operating Transfers In	1,412,005	1,503,441	1,564,632	61,191
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Title III C-1 Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs -				
Primary Grant	\$ 197,962	\$ 197,962	\$ 197,962	\$ -
NSIP Grant	116,816	116,816	-	(116,816)
Public Support - Client Contributions	12,000	11,693	11,381	(312)
Total Revenues	326,778	326,471	209,343	(117,128)
Expenditures				
Current				
Personnel	108,345	112,593	110,803	1,790
Fringe	24,082	29,483	27,423	2,060
Travel	3,501	3,187	2,985	202
Operating Services	5,470	4,845	5,032	(187)
Meals	198,568	198,834	192,506	6,328
Total Expenditures	339,966	348,942	338,749	10,193
Deficiency of Revenues Over Expenditures	(13,188)	(22,471)	(129,406)	(106,935)
Other Financing Sources				
Operating Transfers In	13,188	22,471	129,406	106,935
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Title III C-2 Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs -				
Primary Grant	\$ 165,914	\$ 165,914	\$ 265,914	\$ 100,000
NSIP Grant	-	-	116,816	116,816
Public Support - Client Contributions	2,500	1,400	1,833	433
Total Revenues	168,414	167,314	384,563	217,249
Expenditures				
Current				
Personnel	90,806	100,432	97,807	2,625
Fringe	20,183	26,299	24,207	2,092
Travel	895	778	659	119
Operating Services	28,413	36,196	35,974	222
Operating Supplies	9,983	10,337	9,883	454
Meals	340,876	347,781	336,035	11,746
Total Expenditures	491,156	521,823	504,565	17,258
Deficiency of Revenues Over Expenditures	(322,742)	(354,509)	(120,002)	234,507
Other Financing Sources				
Operating Transfers In	322,742	354,509	120,002	(234,507)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			\$ -	

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Senior Center Fund
For the Year Ended June 30, 2017

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Intergovernmental				
Governor's Office of Elderly Affairs - Primary Grant	\$ 244,483	\$ 244,483	\$ 244,483	\$ -
Total Revenues	<u>244,483</u>	<u>244,483</u>	<u>244,483</u>	<u>-</u>
Expenditures				
Current				
Personnel	176,417	178,787	177,564	1,223
Fringe	39,212	46,816	43,946	2,870
Travel	9,711	9,771	10,875	(1,104)
Operating Services	118,540	128,969	127,455	1,514
Operating Supplies	31,731	33,366	30,746	2,620
Other Costs	-	-	1,938	(1,938)
Capital Outlay	12,945	15,011	15,011	-
Total Expenditures	<u>388,556</u>	<u>412,720</u>	<u>407,535</u>	<u>5,185</u>
Deficiency of Revenues Over Expenditures	<u>(144,073)</u>	<u>(168,237)</u>	<u>(163,052)</u>	<u>5,185</u>
Other Financing Sources				
Operating Transfers In	144,073	168,237	163,052	(5,185)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund Balance, Beginning of Year			<u>-</u>	
Fund Balance, End of Year			<u>\$ -</u>	

Note 1. Budgetary Reporting

The budget information presented in this section of required supplementary information applies to major governmental funds for which annual budgets were adopted. Budgetary information for non-major funds has not been included anywhere in these financial statements. The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- Management projects property tax revenues based on past trends and data available at the Parish Assessor's Office to form expectations of future revenues.
- The revenue information supplied by the GOEA and the Parish Assessor are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's executive director prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to the GOEA for compliance approval.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The match might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to the GOEA and approved by that agency.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items in its budget as often as required but must obtain compliance approval from the GOEA for funds received under grants from this agency. As part of its grant compliance, the GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to cover the overrun.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Notes to Required Supplementary Information (Continued)
For the Year Ended June 30, 2017

Note 1. Budgetary Reporting (Continued)

- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large fund balance exists to absorb the budgeted operating deficit. The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

OTHER SUPPLEMENTARY INFORMATION

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2017

Agency Head
Julie Agan, Executive Director

Purpose	Amount
Salary	\$77,808
Benefits - Insurance	\$6,931
Benefits - Retirement	\$1,985
Benefits - Other	\$0
Car Allowance	\$3,600
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$542
Travel	\$0
Registration Fees	\$0
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing - Relocation Expense	\$0
Miscellaneous Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**SUPPLEMENTARY INFORMATION REQUIRED BY
THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

ST. TAMMANY COUNCIL ON THE AGING, INC.
Combining Schedule of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2017

	AAA	Title III D	Title III E	Supplementary Senior Center	Restricted Utility Assistance	Total Non-Major Governmental Funds
Revenues						
Intergovernmental						
Governor's Office of Elderly Affairs -						
Primary Grants	\$ 73,940	\$ 8,695	\$ 72,393	\$ 3,100	\$ -	\$ 158,128
Client Contributions for Specific Services	-	1,299	-	-	-	1,299
Public Support - Restricted						
Utility Companies for Utility Assistance	-	-	-	-	4,724	4,724
Total Revenues	73,940	9,994	72,393	3,100	4,724	164,151
Expenditures						
Health, Welfare, and Social Services						
Current						
Personnel	37,630	-	24,247	-	-	61,877
Fringe	8,865	-	6,001	-	-	14,866
Travel	128	-	-	-	-	128
Operating Services	22,612	-	42,490	-	-	65,102
Operating Supplies	2,175	-	-	-	-	2,175
Other Costs	2,530	-	-	-	-	2,530
Utility Assistance	-	-	-	-	10,380	10,380
Health Promotion and Disease Prevention	-	21,365	-	-	-	21,365
Total Expenditures	73,940	21,365	72,738	-	10,380	178,423
Excess (Deficiency) of Revenues Over Expenditures	-	(11,371)	(345)	3,100	(5,656)	(14,272)
Other Financing Sources (Uses)						
Operating Transfers In	-	11,371	345	-	5,656	17,372
Operating Transfers Out	-	-	-	(3,100)	-	(3,100)
Total Other Financing Sources (Uses)	-	11,371	345	(3,100)	5,656	14,272
Net Change in Fund Balances	-	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Comparative Schedule of Capital Assets and Changes
in Capital Assets
June 30, 2017

	July 1, 2016	Additions	Deletions	June 30, 2017
Capital Assets				
Buildings and Leasehold Improvements	\$ 889,013	\$ 88,372	\$ -	\$ 977,385
Vehicles	709,254	43,213	-	752,467
Office Furniture and Equipment	65,311	4,607	-	69,918
Computer Equipment and Software	73,769	25,149	-	98,918
Nutrition Equipment	30,017	1,212	-	31,229
Construction in Progress	2,100	-	(2,100)	-
Total Capital Assets	\$ 1,769,464	\$ 162,553	\$ (2,100)	\$ 1,929,917
Investment in Capital Assets				
Property Acquired with Funds from:				
FTA	\$ 563,323	\$ -	\$ -	\$ 563,323
Local Funds				
General Fund	1,047,771	162,553	(2,100)	1,208,224
PCOA Supplemental Funds	31,763	-	-	31,763
Senior Center Funds	86,677	-	-	86,677
In-Kind Donations	39,930	-	-	39,930
Total Investment in Capital Assets	\$ 1,769,464	\$ 162,553	\$ (2,100)	\$ 1,929,917

See independent auditor's report.

**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**

Independent Auditor's Report

To the Board of Directors
St. Tammany Council on the Aging, Inc.
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Council on the Aging, Inc. (the Council), as of and for the year ended June 30, 2017, and the related notes to financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated November 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) 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 Council's internal control. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Covington, LA
November 10, 2017

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Board of Directors
St. Tammany Council on the Aging, Inc.
Covington, Louisiana

Report on Compliance for Each Major Federal Program

We have audited St. Tammany Council on the Aging, Inc.'s (the Council) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Council's major federal programs for the year ended June 30, 2017. The Council'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 compliance for each of the Council's major federal programs 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 Title 2 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 Council'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 each major federal program. However, our audit does not provide a legal determination of the Council's compliance.

Opinion on Each Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of the Council is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Council's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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 Council'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 internal control over compliance was for the limited purpose described in the first paragraph of 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 weaknesses. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
November 10, 2017

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
Department of Transportation			
Passed through State of Louisiana Department of Transportation and Development Formula Grants for Rural Areas	20.509	741-99-0190	\$ 261,809
Department of Health and Human Services Direct Programs - Aging Cluster			
Passed through Governor's Office of Elderly Affairs Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	734390	156,508
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	734390	337,630
Nutrition Services Incentive Program	93.053	734688	<u>116,816</u>
Total Department of Health and Human Services Direct Programs - Aging Cluster			<u>610,954</u>
Department of Health and Human Services Direct Programs - Other			
Passed through Governor's Office of Elderly Affairs Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	734390	8,695
National Family Caregiver Support, Title III, Part E	93.052	734390	54,295
Medicare Enrollment Assistance Program	93.071	2000143581	<u>3,260</u>
Total Department of Health and Human Services Direct Programs - Other			<u>66,250</u>
Total Expenditures of Federal Awards			<u><u>\$ 939,013</u></u>

ST. TAMMANY COUNCIL ON THE AGING, INC.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Note 1. Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes the federal grant activity of St. Tammany Council on the Aging, Inc. (the Council) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

The Council has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

ST. TAMMANY COUNCIL ON THE AGING, INC.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Part I - Summary of Auditor's Results

Financial Statements

- | | | |
|----|---|---------------|
| 1. | Type of auditor's report issued: | Unmodified |
| 2. | Internal control over financial reporting: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 3. | Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | | |
|----|--|---------------|
| 1. | Internal control over major programs: | |
| | a. Material weaknesses identified? | No |
| | b. Significant deficiencies identified? | None Reported |
| 2. | Type of auditor's report issued on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? | No |

4. Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
	<u>Aging Cluster</u>
93.044	Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers
93.045	Special Programs for the Aging - Title III, Part C - Nutrition Services
93.053	Nutrition Services Incentive Program

- | | | |
|----|--|-----------|
| 5. | Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. | Auditee qualified as low-risk auditee? | Yes |

Part II - Financial Statements Findings

None

Part III - Findings and Questioned Costs for Federal Awards

None

ST. TAMMANY COUNCIL ON THE AGING, INC.
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

None

AGREED-UPON PROCEDURES REPORT

St. Tammany Council on the Aging, Inc.

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2017

To the Management of St. Tammany Council on the Aging, Inc.

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted.

Management of St. Tammany Council on the Aging, Inc. (COAST) is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of COAST and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls at COAST during the year ended June 30, 2017, in accordance with Act 774 of 2014 Regular Legislative Session. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Collections

1. Obtain the entity's written policies and procedures over collections (or report that the entity does not have any written policies and procedures over collections) and report whether those written policies and procedures address receipts, including receiving, recording, and preparing deposits.

Results: Obtained the written policies and procedures over collections. All elements listed above are addressed.

2. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results: Obtained the listing of cash/check/money order collection locations from management and management's representation that the listing is complete.

3. Using the listing provided by management, select all of the entity's cash collection locations, if five locations or less, or one-third of the collection locations if more than 5 locations. For each cash collection location selected:
 - a) Obtain existing written documentation (e.g., insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
 - b) Obtain existing written documentation (e.g., sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
 - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results: Selected three collection locations. Each person responsible for collection cash at the locations selected are not responsible for depositing the cash in the bank, recording the related transaction or reconciling the related bank account and not required to share the same cash register or drawer with another employee. The personnel at each collection location are covered under a commercial crime policy through a commercial insurance company.

For the collection locations selected, COAST has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

For the sample selected, deposits were not made within one day. For the three locations selected, the number of days from receipt to deposit were 61, 13, and 20 days, respectively. Each of the deposits was completely supported by documentation.

4. Obtain existing written documentation (e.g., policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results: COAST has a process specifically defined to determine completeness of all collections by a person who is not responsible for collections.

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

1. Obtain the entity's written policies and procedures over credit cards, bank debit cards, fuel cards, and P-cards (cards) (or report that the entity does not have any written policies and procedures over cards) and report whether those written policies and procedures address the following:
 - a) How cards are to be controlled, including procedures for lost cards, removal of signatory authorization upon employment termination, and approval required to open an account;
 - b) Allowable business uses, including a prohibition on cash advances;
 - c) Documentation requirements, including procedures for lost receipts;
 - d) Required approvers and authorized users; and
 - e) Monitoring card usage

Results: Obtained the written policies and procedures over credit cards. All elements listed above are addressed.

2. Obtain from management a listing of all active cards, 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.

Results: Obtained a listing of all active credit cards from management and management's representation that the listing is complete.

3. Using the listing prepared by management, randomly select 10 cards making certain to select at least 1 card from each card type (credit, debit, fuel, and/or P-card) that were used during the fiscal period.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card selected (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

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

Results: Selected 10 cards randomly from the list provided by management. There is evidence that the monthly statements are reviewed and approved, in writing, by someone other than the authorized card holder. There were no finance charges or late fees assessed on the selected statements.

4. Using the monthly statements or combined statements selected under #3 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e., each of the 10 cards should have one month of transactions subject to testing).
 - a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased).

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e., transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g., cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results: Of the 204 transactions, one transaction did not have an original itemized receipt. The business purpose of the transaction was properly documented. All other transactions were supported by the elements listed in a). We noted no exceptions to the criteria listed in b) and c).

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to perform, and did not perform, an examination or review, the objective of which would be the expression of an opinion or conclusion. 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 use of management of St. Tammany Council on the Aging, Inc. and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Covington, LA
December 12, 2017



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December 20, 2017

LaPorte
A Professional Accounting Corporation
5100 Village Walk, Suite 300
Covington, LA 70433

Corrective Action Plan for AUP FY17

Results: Regarding Collections

"For the sample selected, deposits were not made within one day. For the three locations selected, the number of days from receipt to deposit were 61, 30 and 20 days, respectively. Each of the deposits were completely supported by documentation."

Response

In regards to the 61 day delay, that was the result of a failure to follow procedures that were in effect at that time and the issue has been addressed with the members of management and staff that were involved.

In regards to having a 1 day timeframe on all cash receipts from the time of receipt to the time of deposit, there are multiple issues that make executing effective procedures to ensure that timeframe is met economically infeasible.

We have made changes to ensure that deposits are received and processed in a more timely manner. Senior centers turn in their funds on a monthly basis and transportation fares are submitted on a weekly basis and tied to electronic reports that cannot be altered by the employees collecting the funds.

We operate seven senior centers throughout St. Tammany Parish and on any given day any one or all of those centers may receive small cash donations. Paying seven employees both time and mileage to deliver those funds to the accounting department, then having staff prepare deposit documentation and paying time and mileage again to execute the deposit on a daily basis would cost more than the value of the deposit itself. Last year COAST received \$11,380.56 in donations at the senior centers. That averages to \$6.50 a day per center. We believe collecting these funds on a daily basis would negate their value to COAST and even cost us more than they are worth.

The other deposit issue would be the collection of transportation fares which present us with a similar situation but on a much larger scale involving almost 27 drivers daily with small amounts of cash. The fare amounts are kept secure in locked locations and are tied to electronically generated reports that show any discrepancies on a weekly basis. So even though they are not deposited daily we would know if something were missing.

We believe that we currently have the situation well in hand and that our deposit procedures are



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an adequate balance of accountability and cost effectiveness. We are open to any suggestions that would improve upon our procedures.

St. Tammany Council on the Aging, Inc.

A handwritten signature in black ink, appearing to read "John Stovall", written over a horizontal line.

John Stovall
Director of Finance