

**NATCHITOCHE PARISH
COUNCIL ON AGING, INC.**
Natchitoches, Louisiana

Financial Report

Year Ended June 30, 2017

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(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
 Natchitoches Parish Council on Aging, Inc.
 Natchitoches, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Natchitoches Council on Aging, Inc., 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Natchitoches Council on Aging, Inc., as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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 budgetary comparison information on pages 37-42 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.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

The schedule of nonmajor funds and comparative schedule of general fixed assets and changes in general fixed assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of nonmajor funds and comparative schedule of fixed assets 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 8, 2017, on our consideration of the Natchitoches Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Natchitoches Council on Aging, Inc.'s internal control over financial reporting and compliance.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 8, 2017

GOVERNMENT WIDE FINANCIAL STATEMENTS

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Government Wide Statement of Net position
June 30, 2017

	Governmental Activities	Business - Type Activities	Total
Assets			
Cash	\$ 24,797	\$ 70,540	\$ 95,337
Certificate of deposit	-	176,152	176,152
Grants and contracts receivable	300	8,426	8,726
Prepaid expenditures	1,231	-	1,231
Capital assets, net of accumulated depreciation	<u>1,543,504</u>	<u>-</u>	<u>1,543,504</u>
Total Assets	<u>1,569,832</u>	<u>255,118</u>	<u>1,824,950</u>
Liabilities			
Accounts payable	27,861	4,875	32,736
Accrued payroll and related benefits	5,853	90	5,943
Accrued compensated absences	4,888	-	4,888
Capital Lease:			
Current portion	3,539	-	3,539
Non-current portion	9,830	-	9,830
Note payable:			
Current portion	385,625	-	385,625
Non-current portion	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>437,596</u>	<u>4,965</u>	<u>442,561</u>
Net Position			
Invested in Capital Assets, net of debt	1,144,510	-	1,144,510
Restricted for:			
Prepaid expenditures	1,231	-	1,231
Utility assistance	607	-	607
Capital Outlay	8,200	-	8,200
Unrestricted	<u>(22,312)</u>	<u>250,153</u>	<u>227,841</u>
Total Net Position	<u>\$ 1,132,236</u>	<u>\$ 250,153</u>	<u>\$ 1,382,389</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2017

Function/Programs	Direct Expenses	Indirect Expenses
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Information and assistance	\$ 13,356	\$ 10,323
Outreach	4,066	3,142
Transportation	5,920	4,576
Material aid	11,184	8,645
Telephone	20,467	15,819
Other	9,379	3,050
Nutrition Services:		
Congregate meals	114,141	25,269
Nutrition education	3,029	2,341
Home delivered meals	110,892	43,741
Disease Prevention and Health Promotion:		
Wellness	13,489	10,425
National Family Caregiver Support:		
Respite care	15,158	-
Public education	3,549	2,743
Information and assistance	4,918	3,801
Other	5,417	4,187
Senior Center	4,236	-
Supplemental Senior Center	-	-
NSIP	-	-
MIPPA	-	-
Area Agency Administration	-	31,344
Administration	<u>250,048</u>	<u>(169,406)</u>
Total governmental activities	<u>589,249</u>	<u>-</u>
Business-Type Activities		
Bingo	<u>140,932</u>	<u>-</u>
Total business-type activities	<u>140,932</u>	<u>-</u>
Total	<u>\$ 730,181</u>	<u>\$ -</u>

			Net (Expense) Revenue and Increases (Decreases) in Net Assets		
Program Revenues			Total	Total	
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
\$ -	\$ 15,745	\$ -	\$ (7,934)	\$ -	\$ (7,934)
-	4,793	-	(2,415)	-	(2,415)
-	6,979	-	(3,517)	-	(3,517)
-	13,185	-	(6,644)	-	(6,644)
-	24,128	-	(12,158)	-	(12,158)
-	8,264	-	(4,165)	-	(4,165)
863	116,932	-	(21,615)	-	(21,615)
-	4,504	-	(150,129)	-	(150,129)
642	96,871	-	92,143	-	92,143
-	4,694	-	(19,220)	-	(19,220)
-	10,360	-	(4,798)	-	(4,798)
-	4,300	-	(1,992)	-	(1,992)
-	5,959	-	(2,760)	-	(2,760)
-	6,564	-	(3,040)	-	(3,040)
-	39,164	-	34,928	-	34,928
-	13,324	-	13,324	-	13,324
-	32,554	-	32,554	-	32,554
-	900	-	900	-	900
-	31,344	-	-	-	-
-	80,642	-	-	-	-
<u>1,505</u>	<u>521,206</u>	<u>-</u>	<u>(66,538)</u>	<u>-</u>	<u>(66,538)</u>
<u>178,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,667</u>	<u>37,667</u>
<u>178,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,667</u>	<u>37,667</u>
<u>\$ 180,104</u>	<u>\$ 521,206</u>	<u>\$ -</u>	<u>(66,538)</u>	<u>37,667</u>	<u>(28,871)</u>
General Revenues:					
Grants and contributions not restricted to specific programs					
			-	-	-
			50	1,710	1,760
			7,790	1,735	9,525
			<u>23,872</u>	<u>(23,872)</u>	<u>-</u>
			<u>31,712</u>	<u>(20,427)</u>	<u>11,285</u>
Change in net position					
			(34,826)	17,240	(17,586)
Net position - beginning of the year					
			<u>1,167,062</u>	<u>232,913</u>	<u>1,399,975</u>
Net position - end of the year					
			<u>\$ 1,132,236</u>	<u>\$ 250,153</u>	<u>\$ 1,382,389</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
Assets						
Cash	\$ 24,797	\$ -	\$ -	\$ -	\$ -	\$ 24,797
Grants and contracts receivable	300	-	-	-	-	300
Prepaid expenditures	1,231	-	-	-	-	1,231
Due from other funds	-	-	-	-	607	607
Total Assets	<u>\$ 26,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 26,935</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 27,861	\$ -	\$ -	\$ -	\$ -	\$ 27,861
Accrued payroll and related benefits	5,853	-	-	-	-	5,853
Due to other funds	607	-	-	-	-	607
Total Liabilities	<u>34,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,321</u>
Fund Balances:						
Nonspendable:						
Prepaid expenditures	1,231	-	-	-	-	1,231
Restricted for:						
Utility assistance	-	-	-	-	607	607
Capital Outlay	8,200	-	-	-	-	8,200
Unassigned	(17,424)	-	-	-	-	(17,424)
Total Fund Balances	<u>(7,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607</u>	<u>(7,386)</u>
Total Liabilities and Fund Balances	<u>\$ 26,328</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	

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

- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds	(4,888)
- Notes payable are no due and payable in the current period and therefore are not reported in the funds	(385,625)
- Capital leases are not due and payable in the current period, and therefore, they are not reported in the funds	(13,369)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>1,543,504</u>
Total net position of governmental activities	<u>\$ 1,132,236</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2017

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 130,623	\$ 73,094	\$ 121,436	\$ 96,871	\$ 65,332	\$ 487,356
Department of Homeland Security	-	-	-	-	13,000	13,000
Program Service Fees:						
Congregate meals	-	-	863	-	-	863
Home delivered meals	-	-	-	642	-	642
Investment income	50	-	-	-	-	50
Local and miscellaneous:						
United way	2,168	-	-	-	-	2,168
Donations	18,682	-	-	-	-	18,682
Miscellaneous	7,790	-	-	-	-	7,790
Total Revenues	<u>159,313</u>	<u>73,094</u>	<u>122,299</u>	<u>97,513</u>	<u>78,332</u>	<u>530,551</u>
EXPENDITURES						
Health, Welfare, & Social Services						
Current:						
Personnel	15,570	63,404	37,156	56,033	25,805	197,968
Fringe	1,799	7,325	4,293	6,473	2,981	22,871
Travel	199	220	133	211	102	865
Operating Services	32,968	27,762	18,753	30,232	11,297	121,012
Operating Supplies	3,469	5,781	2,567	6,956	8,344	27,117
Other Costs	61	5,435	81,878	54,728	19,394	161,496
Capital outlay	5,362	-	-	-	-	5,362
Principal	12,790	-	-	-	-	12,790
Interest	13,789	-	-	-	-	13,789
Total Expenditures	<u>86,007</u>	<u>109,927</u>	<u>144,780</u>	<u>154,633</u>	<u>67,923</u>	<u>563,270</u>
Excess (deficiency) of revenues over expenditures	<u>73,306</u>	<u>(36,833)</u>	<u>(22,481)</u>	<u>(57,120)</u>	<u>10,409</u>	<u>(32,719)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	27,120	36,833	22,481	57,120	36,045	179,599
Transfers out	(109,273)	-	-	-	(46,454)	(155,727)
Total other financing sources and uses	<u>(82,153)</u>	<u>36,833</u>	<u>22,481</u>	<u>57,120</u>	<u>(10,409)</u>	<u>23,872</u>
Net decrease in fund balances	(8,847)	-	-	-	-	(8,847)
FUND BALANCES						
Beginning of the year	<u>854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607</u>	<u>1,461</u>
End of the year	<u>\$ (7,993)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ (7,386)</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2017

Net decrease in fund balances - total governmental funds	\$ (8,847)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$43,988) exceeded capital outlay (\$5,362) during the year	(38,626)
Governmental funds report principal payments on debt service as expenditures. However, in the statement of activities these payments are recorded as a reduction in note payable and an expense	12,790
Some expenses reported in the State of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	<u>(143)</u>
Change in net position of governmental activities	<u>\$ (34,826)</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Net position
 Proprietary Fund
 June 30, 2017
 (With Comparative Data for Prior Year)

		Business-Type Activities Video Bingo	
		<u>2017</u>	<u>2016</u>
Assets			
Current Assets:			
Cash		\$ 70,540	\$ 55,511
Certificate of deposit		176,152	174,539
Receivables, net		<u>8,426</u>	<u>6,739</u>
Total Current Assets		<u>255,118</u>	<u>236,789</u>
Total Assets		<u>\$ 255,118</u>	<u>\$ 236,789</u>
Liabilities			
Current Liabilities:			
Accounts payable		\$ 4,875	\$ 3,740
Payroll liabilities		<u>90</u>	<u>136</u>
Total Current Liabilities		<u>4,965</u>	<u>3,876</u>
Total Liabilities		<u>4,965</u>	<u>3,876</u>
Net Position			
Unreserved		<u>250,153</u>	<u>232,913</u>
Total Net Position		<u>\$ 250,153</u>	<u>\$ 232,913</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net position
 Proprietary Fund
 Year Ended June 30, 2017
 (With Comparative Data for Prior Year)

	Business-Type Activities Video Bingo	
	2017	2016
Operating Revenue		
Charges for services	\$ 178,599	\$ 167,072
Miscellaneous	1,735	394
Total Operating Revenues	<u>180,334</u>	<u>167,466</u>
Operating Expenses		
Personnel and fringe	16,006	16,776
Operating services	56,190	49,475
Operating supplies	51,865	53,637
Other costs	16,871	11,705
Total Operating Expenses	<u>140,932</u>	<u>131,593</u>
Operating income	<u>39,402</u>	<u>35,873</u>
Nonoperating Revenues		
Interest income	1,710	3,105
Total Nonoperating Revenues	<u>1,710</u>	<u>3,105</u>
Income before transfers	41,112	38,978
Transfers out	<u>(23,872)</u>	<u>(56,406)</u>
Change in Net Position	17,240	(17,428)
Net Position - Beginning	<u>232,913</u>	<u>250,341</u>
Net Position - Ending	<u>\$ 250,153</u>	<u>\$ 232,913</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2017

	Business-Type Activities <u>Video Bingo</u>
Cash flows from operating activities:	
Receipts from customers	\$ 178,647
Payments to suppliers for goods and services	(123,791)
Payments to employees for services	<u>(16,052)</u>
Net cash provided by operating activities	<u>38,804</u>
Cash flows from noncapital financing activities:	
Transfers to general fund	<u>(23,872)</u>
Net cash used by noncapital financing activities	<u>(23,872)</u>
Cash flows from investing activities:	
Interest on investments	<u>1,710</u>
Net cash provided by investing activities	<u>1,710</u>
Net increase in cash and cash equivalents	16,642
Cash and cash equivalents, beginning of year	<u>230,050</u>
Cash and cash equivalents, end of year	<u>\$ 246,692</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 39,402
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in current assets and liabilities:	
Increase in accounts receivable	(1,687)
Increase in accounts payable	1,135
Decrease in payroll liabilities	<u>(46)</u>
Net cash provided by operating activities	<u>\$ 38,804</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Natchitoches Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on March 3, 1969 and subsequently received its charter from the Governor of the State of Louisiana.

A board of directors, consisting of 13 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- All members from throughout Natchitoches Parish shall be elected by the general membership at the Council's annual meeting.

Membership in the Council is open at all times, without restriction, to all residents of Natchitoches Parish who have reached the age of majority and who express an interest in the Council and wish to contribute to or share in its programs. Membership fees are not charged.

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

C. Presentation of Statements

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

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities except for the Bingo fund, a business-type activity. The Council does not have any 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.

D. Basic Financial Statements - Government-Wide Statements

The government-wide financial statements include the Statement of Net position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Intergovernmental revenues primarily support governmental activities.

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

The Statement of Net position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position are reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

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

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

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any material special items this year.

E. Basic Financial Statements - Fund Financial Statements

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Local Programs and Funding are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the used and disposition of fixed assets.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). During the year, the Council received this grant money into its General Fund and management transferred \$13,914 of its PCOA (\$37,500) grant funds to the Title III funds to help pay for program expenditures of those funds. The remaining \$23,586 grant funds were used for PCOA expenditures.

The Senior Center Fund and Supplemental Senior Center Funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." During the year, management transferred \$61,718 of its Senior Center (\$48,455) grant funds and Supplemental Senior Center (\$13,324) grant funds to the Title III funds to subsidize those programs' costs of providing supportive services to elderly persons who used the senior center. The remaining \$61 grant funds were used for Senior Center expenditures.

The AAA Fund (Area Agency on Aging) is used to account for funds received from the Governor's Office of Elderly Affairs that are used to subsidize the costs of administering the Council's special programs for the aging. This year the GOEA granted the Council \$31,344 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the indirect administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears in direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "*proceeds of specific revenue sources*" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Major Special Revenue Funds

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

	<u>Units</u>
Information and assistance	688
Outreach	347
Public education	90
Transportation	1,035
Legal assistance	49
Material aid	10,655

The main source of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$73,094).

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2017, the Council served about 17,454 congregate meals and also provided 43 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$121,436) and restricted, voluntary contributions from those persons who received congregate meals (\$863).

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 24,708 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$96,871) and restricted, voluntary contributions from the public (\$642), including those persons actually receiving home-delivered meal services.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Non-Major Special Revenue Funds

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 3,822 units of wellness service were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services (\$4,694).

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. Then number of units provided under the Title III E is as follows:

	<u>Units</u>
In-home respite	1,250
Material aid	120
Personal care	350
Information and assistance	61
Public education	56
Outreach	50

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$27,184).

The NSIP Fund (National Services Incentive Program) is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor’s Office of Elderly Affairs, which in turn “passes through” the funds to the Council. This program reimburses the service provider about sixty-five cents for each congregate and home-delivered meal served to an eligible participant so the United States food and commodities may be purchased to supplement these programs.

The MIPPA Fund is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low-Income Subsidiary (LIS) and Medicare Savings Programs (MSP) programs. The goal is to provide outreach to individuals in Jefferson Davis Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP), the purpose of which is to supplement food and shelter assistance to individuals. Funds are provided by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the United Way of America, which in turn "passes through" the funds to the Council.

The Utility Assistance Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of their utility bills. No indirect or administration expenses can be paid for with these funds.

Additionally, the Council reports the following fund types:

Proprietary Funds

Proprietary Funds are used to account for ongoing organizations and activities that are similar to those often found in the private sector. The measurement focus is based upon determination of net income, financial position, and cash flows. Proprietary funds include the following fund types:

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Council applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Council's enterprise fund is the Bingo Fund.

Bingo Fund accounts for the income and expenses associated with the bingo machines operated by the Council.

F. **Measurement Focus and Basis of Accounting**

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

Accrual Basis – Government-Wide Financial Statements (GWFS):

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) 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 and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

I. Receivables

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Prepaid Expenses/Expenditures

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

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

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

K. Capital Assets

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

Government-Wide Financial Statements

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Furniture and equipment	5 years
Vehicles	5 years
Building and improvements	15-25 years
Land improvements	20 years

When calculating depreciation, the State's guidelines assumes that capital assets will not have any salvage value.

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.

L. Unpaid Compensated Absences

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. Management has estimated the current and long-term portions of this liability based on historical trends. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect at the end of the year.

In contrast, the governmental funds in the Fund Financial Statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature (or come due for payment). Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The differences in the methods of accruing compensated absences create a reconciling item between the fund and government-wide financial statement presentations.

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Deferred Revenues

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

N. Non-Current (Long-term) Liabilities

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

O. Net position in the Government-wide Financial Statements

In the government-wide Statement of Net position, the Net Asset amounts is classified and displayed in three components:

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net position that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Council’s policy to use restricted resources first to finance its activities.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Fund Equity – Fund Financial Statements

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

Management has classified fund balance for utility assistance and donations received for capital outlay as being restricted due to the constraints placed on the use of the money contributed.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.
- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year-end.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Q. Management's Use of Estimates

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

R. Allocation of Indirect Expenses

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

S. Elimination and Reclassifications

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

T. Subsequent Events

Management has evaluated subsequent events through November 8, 2017, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

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

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 REVENUE RECOGNITION (Continued)

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

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

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$95,337, whereas the related bank balances totaled \$101,891. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
City Bank & Trust	<u>\$ 95,337</u>	<u>\$ 95,337</u>	None	Demand	Category 1
Total Cash	<u>\$ 95,337</u>	<u>\$ 95,337</u>			
Unrestricted Purpose	\$ 86,530				
Restricted - Capital Outlay	8,200				
Restricted - Utility Assistance	<u>607</u>				
	<u>\$ 95,337</u>				

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS (Continued)

The Council also has three certificates of deposit with terms ranging from nine to sixty months. The annual percentage yield for these certificates of deposit range from .3% - 2.35% as of June 30, 2017.

NOTE 4 PREPAID EXPENDITURES AND EXPENSES

At year end, prepaid expenditures in the Fund Balance Sheet consists of \$1,231 of prepaid insurance. Any prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end.

Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
MIPPA	MIPPA	GOEA	<u>\$ 300</u>
Total government grants and contracts receivable			<u><u>\$ 300</u></u>

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Because the council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans, at year-end, is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$ 607
Special Revenue Funds:		
Energy Assistance Fund	<u>607</u>	<u>-</u>
	<u>\$ 607</u>	<u>\$ 607</u>

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance 06-30-16	Increases	Decreases	Balance 06-30-17
Capital Assets				
Buildings and improvements	\$ 1,096,731	\$ -	\$ -	\$ 1,096,731
Land	420,000	-	-	420,000
Land improvements	18,400	-	-	18,400
Vehicles	82,012	-	-	82,012
Furniture & equipment	67,215	5,362	-	72,577
Subtotal	<u>1,684,358</u>	<u>5,362</u>	<u>-</u>	<u>1,689,720</u>
Accumulated depreciation				
Building	2,735	28,250	-	30,985
Land improvements	5,406	920	-	6,326
Vehicles	70,337	4,121	-	74,458
Furniture & equipment	23,750	10,697	-	34,447
Subtotal	<u>102,228</u>	<u>43,988</u>	<u>-</u>	<u>146,216</u>
Net capital assets	<u>\$ 1,582,130</u>	<u>\$ (38,626)</u>	<u>\$ -</u>	<u>\$ 1,543,504</u>

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

Depreciation of \$43,988 was charged to governmental activities as administrative expense for the year ended June 30, 2017.

NOTE 8 CHANGES IN LONG-TERM DEBT

The Council had long-term debt related to compensated absences, a note payable, and a capital lease during the year ended June 30, 2017. The following is a schedule of the changes in long-term debt for the year ended June 30, 2017:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Accrued annual leave	\$ 4,745	\$ 143	\$ -	\$ 4,888
Note payable	395,082	-	(9,457)	385,625
Capital leases	16,702	-	(3,333)	13,369
	<u>\$ 416,529</u>	<u>\$ 143</u>	<u>\$ (12,790)</u>	<u>\$ 403,882</u>

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 CHANGES IN LONG-TERM DEBT (Continued)

Note payable at June 30, 2017, is comprised of the following:

MidSouth Bank, N.A. in the original amount of \$425,000, dated January 31, 2013, payable in 60 monthly installments of \$1,861, and one last payment of \$381,896, bearing interest at 3.25% per annum, secured by deposit accounts \$ 385,625

Capital lease at June 30, 2017, is comprised of the following:

Konica Minolta, Inc., in the original amount of \$18,295, dated December 31, 2015, payable in 60 monthly installments of \$354, bearing interest at 6.00% per annum, secured by equipment \$ 13,369

The annual requirements to amortize all debt outstanding at June 30, 2017, including interest payments of \$9,972, are as follows:

Year ending June 30,	Note Payable		Capital Leases		Total
	Principal	Interest	Principal	Interest	
2018	\$ 385,625	\$ 8,485	\$ 3,539	\$ 706	\$ 398,355
2019	-	-	3,757	488	4,245
2020	-	-	3,988	256	4,244
2021	-	-	2,085	37	2,122
	<u>\$ 385,625</u>	<u>\$ 8,485</u>	<u>\$ 13,369</u>	<u>\$ 1,487</u>	<u>\$ 408,966</u>

NOTE 9 FUND BALANCES – FUND FINANCIAL STATEMENTS

The General Fund has \$1,231 of nonspendable funds that are to be used for prepaid expenses.

The General Fund has \$8,200 of restricted funds due to the constraints placed on the use of the money through donations.

The Council also has \$607 of utility assistance contributions that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council’s Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE 10 DEFICIT FUND BALANCE

The General fund had a deficit fund balance of \$7,993 as of June 30, 2017. The deficit fund balance will be eliminated in future years by reducing expenditures.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 INCOME TAX STATUS

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

While the Council is exempt from federal income taxes, it is still subject to tax on unrelated business taxable income (UBTI) that is generated. The Council is liable for UBTI that was generated from video bingo operations.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a “more than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Council has evaluated its tax position and determined that it does not have any uncertain tax positions that meet the criteria under ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements

The Council’s management believes it is no longer subject to income tax examination for fiscal years prior to June 30, 2014.

NOTE 12 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 13 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

As of the end of this fiscal year, the Council’s management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council’s management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council’s financial statements.

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

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

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 15 ECONOMIC DEPENDENCY

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

NOTE 16 RISK MANAGEMENT

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

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

NOTE 17 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

NOTE 18 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments made to Executive Director Alice Barrios for the year ended June 30, 2017 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,250
Travel	369
Reimbursements	<u>30</u>
Total	<u>\$ 40,649</u>

NOTE 19 INTERFUND TRANSFERS

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 INTERFUND TRANSFERS (Continued)

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

	Funds transferring in:			
	General Fund	Title III B	Title III C-1	Title III C-2
<u>Funds transferring out:</u>				
General Fund	\$ -	\$ -	\$ -	\$ -
PCOA	-	-	-	13,914
Senior Center	-	32,707	15,687	-
Supplemental Senior Center	-	4,126	6,794	-
	<u>-</u>	<u>36,833</u>	<u>22,481</u>	<u>13,914</u>
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	-	-	32,554
MIPPA	900	-	-	-
EFSP	2,348	-	-	10,652
Total Special Revenue Funds	<u>3,248</u>	<u>-</u>	<u>-</u>	<u>43,206</u>
Proprietary Fund:				
Bingo	23,872	-	-	-
Total all funds	<u>\$ 27,120</u>	<u>\$ 36,833</u>	<u>\$ 22,481</u>	<u>\$ 57,120</u>
	Funds transferring in:			
	Title III D	Title III E	Total	
<u>Funds transferring out:</u>				
General Fund	\$ 16,816	\$ 16,825	\$ 33,641	
PCOA	-	-	13,914	
Senior Center	-	-	48,394	
Supplemental Senior Center	2,404	-	13,324	
	<u>19,220</u>	<u>16,825</u>	<u>109,273</u>	
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	-	32,554	
MIPPA	-	-	900	
EFSP	-	-	13,000	
Total Special Revenue Funds	<u>-</u>	<u>-</u>	<u>46,454</u>	
Proprietary Fund:				
Bingo	-	-	23,872	
Total all funds	<u>\$ 19,220</u>	<u>\$ 16,825</u>	<u>\$ 179,599</u>	

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 854	\$ 854	\$ 854	\$ -
Resources (inflows):				
Intergovernmental	125,112	130,623	130,623	-
Local and miscellaneous	28,128	30,854	28,690	(2,164)
Transfers in	<u>26,579</u>	<u>26,579</u>	<u>27,120</u>	<u>541</u>
Amounts available for appropriation	<u>180,673</u>	<u>188,910</u>	<u>187,287</u>	<u>(1,623)</u>
Charges to appropriations (outflows):				
Personnel	16,633	15,474	15,570	(96)
Fringe	1,968	1,822	1,799	23
Travel	1,350	1,336	199	1,137
Operating services	37,334	36,297	32,968	3,329
Operating supplies	3,428	3,306	3,469	(163)
Other costs	500	4,006	61	3,945
Capital outlay	-	-	5,362	(5,362)
Debt service	26,579	26,579	26,579	-
Transfers out	<u>92,027</u>	<u>99,236</u>	<u>109,273</u>	<u>(10,037)</u>
Total charges to appropriations	<u>179,819</u>	<u>188,056</u>	<u>195,280</u>	<u>(7,224)</u>
Budgetary fund balance, June 30	<u>\$ 854</u>	<u>\$ 854</u>	<u>\$ (7,993)</u>	<u>\$ (8,847)</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	74,029	74,029	73,094	(935)
Program income	-	-	-	-
Transfers in	<u>32,322</u>	<u>40,929</u>	<u>36,833</u>	<u>(4,096)</u>
Amounts available for appropriation	<u>106,351</u>	<u>114,958</u>	<u>109,927</u>	<u>(5,031)</u>
Charges to appropriations (outflows):				
Personnel	63,131	64,063	63,404	659
Fringe	7,472	7,543	7,325	218
Travel	430	435	220	215
Operating services	26,798	29,406	27,762	1,644
Operating supplies	4,520	5,542	5,781	(239)
Other costs	<u>4,000</u>	<u>7,969</u>	<u>5,435</u>	<u>2,534</u>
Total charges to appropriations	<u>106,351</u>	<u>114,958</u>	<u>109,927</u>	<u>5,031</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-1
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	122,616	122,616	121,436	(1,180)
Program income	2,000	2,000	863	(1,137)
Transfers in	<u>15,208</u>	<u>19,501</u>	<u>22,481</u>	<u>2,980</u>
Amounts available for appropriation	<u>139,824</u>	<u>144,117</u>	<u>144,780</u>	<u>663</u>
Charges to appropriations (outflows):				
Personnel	35,491	35,920	37,156	(1,236)
Fringe	4,201	4,230	4,293	(63)
Travel	262	264	133	131
Operating services	17,401	18,749	18,753	(4)
Operating supplies	2,069	2,264	2,567	(303)
Other costs	<u>80,400</u>	<u>82,690</u>	<u>81,878</u>	<u>812</u>
Total charges to appropriations	<u>139,824</u>	<u>144,117</u>	<u>144,780</u>	<u>(663)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	96,871	96,871	96,871	-
Program income	500	500	642	142
Transfers in	<u>52,069</u>	<u>59,630</u>	<u>57,120</u>	<u>(2,510)</u>
Amounts available for appropriation	<u>149,440</u>	<u>157,001</u>	<u>154,633</u>	<u>(2,368)</u>
Charges to appropriations (outflows):				
Personnel	54,747	55,541	56,033	(492)
Fringe	6,480	6,543	6,473	70
Travel	306	309	211	98
Operating services	28,356	30,680	30,232	448
Operating supplies	5,851	6,523	6,956	(433)
Other costs	<u>53,700</u>	<u>57,405</u>	<u>54,728</u>	<u>2,677</u>
Total charges to appropriations	<u>149,440</u>	<u>157,001</u>	<u>154,633</u>	<u>2,368</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

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

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on the revenue information provided by GOEA, grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director and Finance Director prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for compliance approval.
- Unused budgeted amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The "match" might be made in one year and the vehicles delivered in another year.

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

- 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. During the fiscal year, management amended the Council's budget at a board meeting, using a procedure similar to the one used to approve the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2017

	Title III D	Title III E	NSIP	MIPPA	EFSP	Utility Assistance	Total
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 4,694	\$ 27,184	\$ 32,554	\$ 900	\$ -	\$ -	\$ 65,332
Department of Homeland Security	-	-	-	-	13,000	-	13,000
Total Revenues	<u>4,694</u>	<u>27,184</u>	<u>32,554</u>	<u>900</u>	<u>13,000</u>	<u>-</u>	<u>78,332</u>
EXPENDITURES							
Current:							
Personnel	9,341	16,464	-	-	-	-	25,805
Fringe	1,079	1,902	-	-	-	-	2,981
Travel	50	52	-	-	-	-	102
Operating services	5,567	5,730	-	-	-	-	11,297
Operating supplies	7,877	467	-	-	-	-	8,344
Other costs	-	19,394	-	-	-	-	19,394
Total Expenditures	<u>23,914</u>	<u>44,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,923</u>
Excess (deficiency) of revenues over expenditures	<u>(19,220)</u>	<u>(16,825)</u>	<u>32,554</u>	<u>900</u>	<u>13,000</u>	<u>-</u>	<u>10,409</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	19,220	16,825	-	-	-	-	36,045
Transfers out	-	-	(32,554)	(900)	(13,000)	-	(46,454)
Total other financing sources and uses	<u>19,220</u>	<u>16,825</u>	<u>(32,554)</u>	<u>(900)</u>	<u>(13,000)</u>	<u>-</u>	<u>(10,409)</u>
Net increase in fund balances	-	-	-	-	-	-	-
FUND BALANCES							
Beginning of the year	-	-	-	-	-	607	607
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 607</u>

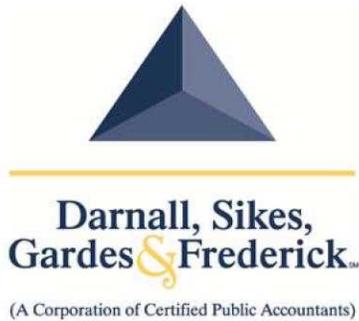
NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
 And Changes In General Fixed Assets
 Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
General fixed assets:				
Vehicles	\$ 82,012	\$ -	\$ -	\$ 82,012
Furniture and equipment	67,215	5,362	-	72,577
Buildings and improvements	1,096,731	-	-	1,096,731
Land	420,000	-	-	420,000
Land improvements	18,400	-	-	18,400
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fixed assets	<u>\$ 1,684,358</u>	<u>\$ 5,362</u>	<u>\$ -</u>	<u>\$ 1,689,720</u>
Investment in general fixed assets:				
Property acquired with funds from -				
AAA	\$ 64,461	\$ -	\$ -	\$ 64,461
PCOA	159,047	-	-	159,047
Local, Donation, Section 16	465,313	3,464	-	468,777
Bingo Fund	36,190	1,898	-	38,088
Facility Planning and Control	<u>959,347</u>	<u>-</u>	<u>-</u>	<u>959,347</u>
Total investment in general fixed assets	<u>\$ 1,684,358</u>	<u>\$ 5,362</u>	<u>\$ -</u>	<u>\$ 1,689,720</u>

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**Independent Auditor's Report on
 Internal Control over Financial Reporting and on Compliance
 and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards***

The Board of Directors
 Natchitoches Parish Council on Aging, Inc.
 Natchitoches, 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, the business-type activities, each major fund, and the aggregate remaining fund information of Natchitoches Council on Aging, Inc., as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Natchitoches Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated November 8, 2017.

Internal Control Over Financial Reporting

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

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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 Natchitoches Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 8, 2017

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unmodified opinion has been issued on Natchitoches Parish Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2017.

Deficiencies and Material Weaknesses in Internal Control – Financial Reporting

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

Material Noncompliance - Financial Reporting

No instances of noncompliance were noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2017.

Part II: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

There were no deficiencies or material weaknesses in internal control over financial reporting or instances of material noncompliance noted during the audit.

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2017, the Natchitoches Parish Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with the Uniform Guidance, therefore this section is not applicable.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

No prior year findings were noted; therefore, no response is necessary.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2017

No current year findings were noted; therefore, no response is necessary.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Alice Barrios, Executive Director
 And Members of the Board
 Natchitoches Parish Council on Aging, Inc.
 1016 Keyser Avenue
 Natchitoches, Louisiana 71457

We have performed the procedures enumerated below, which were agreed to by Natchitoches Parish Council on Aging, Inc. (Entity), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions (1), (3), (4) and (5) noted above. The written policies and procedures do not reference the function of how vendors are added to the vendor list noted above as (2).

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

Written policies and procedures were obtained and address the functions noted above.

- d) **Receipts**, including receiving, recording, and preparing deposits:

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

The Entity does not have written policies and procedures that address the functions noted above.

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

Written policies and procedures were obtained and do address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits:

The Entity is a nonprofit; therefore, not applicable.

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

The Entity is a nonprofit; therefore, not applicable.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document:

Obtained and reviewed minutes of the board for the fiscal period noting that the board met monthly in accordance with the entity's policy.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis):

Minutes include monthly budget-to-actual comparisons for the General Fund and major funds identified as such.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan:

Deficit spending was not noted during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.):

The minutes do reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete:

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:

Bank reconciliations do include evidence of management/board member's review of the bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

There are no reconciling items that have been outstanding for more than 6 months on the bank reconciliations.

Collections

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

Obtained listing of cash collection locations and management provided representation that the listing is complete.

6. 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 on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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:

Written policies and procedures were obtained and address the functions noted above.

- 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:

Written policies and procedures were obtained and address the functions noted above.

- 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:

Collection documentation was obtained for the selected weeks of cash collections and we noted the collections for one site was not deposited within one day. The number of days from receipt to deposit was twelve days.

- 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:

Daily cash collections for the weeks selected are completely supported by documentation.

7. 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:

Written policies and procedures were obtained and address the functions noted above.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete:

Obtained listing of disbursements and management provided representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system:

Examined supporting documentation for each of the disbursements selected and noted purchases were initiated using a purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase:

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice:

Examined supporting documentation for each of the disbursements selected and noted appropriate purchase order, receiving report, and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system:

Written policies and procedures provided do not address the function of adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases:

Written policies and procedures were obtained and address the functions noted above.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks:

Supply of unused checks are maintained in a locked location, with restricted access from those persons with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions:

The Entity does not utilize a signature stamp or signature machine.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (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:

Obtained listing of all active credit cards and management provided representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner:

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 (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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]:

Examined supporting documentation for each monthly statement selected and noted appropriate approval by someone other than the authorized card holder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements:

There were no finance charges and/or late fees assessed on the selected monthly statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the 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):

Each transaction was supported by an original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating:

Each transaction was supported by documentation of the business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.):

The Entity does not have written policies and procedures that address the functions noted above.

- 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:

No exceptions noted.

- 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:

No exceptions noted.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of travel and expense reimbursements, by person, and management provided representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates:

Written policies and procedures were obtained and amounts listed in the policies regarding travel and expense reimbursements did not exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates:

Expenses selected were reimbursed in accordance with written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]:

Expenses selected were reimbursed in accordance with appropriate supporting documentation or established per diem amount.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating):

Documentation of business purpose noted for each expense reimbursement selected.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policy noted for each expense reimbursement selected.

- c) 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. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). 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:

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

Each expense reimbursement selected was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of all contracts in effect and management provided representation that the listing is complete.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid:

A formal/written contract supporting the service arrangements was noted for the vendors selected.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder):

Three contracts selected were subject to the Procurement code and the Entity did comply with the legal requirements of the Procurement Code.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice:

Two contracts selected were not subject to the Louisiana Public Bid Law or Procurement Code. The Entity did solicit quotes.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment:

Contracts selected were not amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract:

The invoices and related payments selected complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter):

Obtained documentation of board approval for selected contracts as required by policy.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that the listing is complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure:

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy:

Changes to pay rates during the fiscal period for selected employee were approved in writing.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

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

Documentation of daily attendance and leave was noted for each selected employee.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials:

Documentation of supervisor approval for attendance and leave was noted for each selected employee.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave:

Documentation of written leave records were maintained for employees selected.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management:

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing is complete. There were no termination payments made to the selected employees.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines:

Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period noting that related payments and required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed:

The Entity is a nonprofit; therefore, this item is not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy:

The Entity is a nonprofit; therefore, this item is not applicable.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained:

The Entity is a nonprofit; therefore, this item is not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants:

The Entity is a nonprofit; therefore, this item is not applicable.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off:

The Entity is a nonprofit; therefore, this item is not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled:

Management has asserted that the entity did not have any misappropriations of public funds or assets during the reporting period.

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

Required notices are posted on the entity's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception:

No exceptions noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 8, 2017

NATCHITOCHE PARISH COUNCIL ON AGING
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NATCHITOCHE, LOUISIANA 71457
(318) 357-3250/FAX (318) 357-2424

Darnall, Sikes, Gardes and Frederick
1231 E. Laurel Avenue/Post Office Box 1018
Eunice, LA 70535

Re: Answers for Independent Accountants Report
on Applying /Agreed Upon Procedures.

Dear Mrs. Rachel Ashford,

Please accept the following answers in response to the findings of November 8, 2017 for the abovementioned procedures for the audit performed by your firm for Natchitoches Parish Council on Aging.

1.) b. Purchasing (2) How vendors are added to the vendor list.

Answer: Vendors are added to the vendor list by the administration only. i.e., the Executive Director. No person who has check writing capability adds vendors to the vendor list.

g. Credit Cards, Debit cards, Fuel cards, P-Cards. How Cards are to be controlled. Entity does not have written policies and procedures that address how cards are to be controlled.

Answer: Policies and procedures have been written and will be put in place.

6.) Cash collection deposit procedures. Collections were not deposited within one day.

Answer: Many times collections are very minimal (coins only sometimes). All donations have been turned in weekly to the bookkeeping department. All monies will be collected and deposited weekly.

10.) Person responsible for processing payments is prohibited from adding vendors to the purchasing/disbursement system.

Answer: Vendors will be added to the vendor list by administration only. i.e. the Executive Director. No person who has check writing capability adds vendors to the vendor list.

16.) Policies and procedures that address the process for obtaining authorization for purchase orders.

Answer: Policies and procedures are being prepared that address the process for obtaining authorization for purchase orders which identifies precisely what was purchased and original itemized receipts for all transactions.

Sincerely,
Alice Barrios , Director
Natchitoches Parish Council on Aging

