

JACKSON COUNCIL ON THE AGING, INC.

*Financial Statements*  
*For the Year Ended June 30, 2017*

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2017

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JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
FOR THE YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Jackson Council on the Aging, Inc.  
Jonesboro, Louisiana

***Report on the Financial Statements***

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Jackson Council on the Aging, Inc., as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council 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***

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### ***Opinions***

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

### ***Other Matters***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and 20 through 24 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jackson Council on the Aging, Inc. basic financial statements. The supplemental information schedules required by GOEA are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements.

The combining nonmajor fund financial statements, schedule of compensation, benefits and other payments to agency head or chief executive officer and the schedule of expenditures of federal awards 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Directors  
Jackson Council on the Aging, Inc.  
Jonesboro, Louisiana  
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The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated November 7, 2017, on my consideration of the Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my 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 *Governmental Auditing Standards* in considering Jackson Council on Aging's internal control over financial reporting and compliance.

*David M. Naab, CPA (APAC)*

West Monroe, Louisiana  
November 7, 2017

REQUIRED SUPPLEMENTAL INFORMATION (PART A)  
MANAGEMENT'S DISCUSSION AND ANALYSIS

JACKSON COUNCIL ON THE AGING, INC.  
 120 POLK AVENUE  
 JONESBORO, LA 71251  
 (318) 259-8962

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the Jackson Council on the Aging provides an overview of the Council’s activities for the year ended June 30, 2017. Please read it in conjunction with the Council’s financial statements.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Council as a whole.

**Reporting the Council as a Whole**

**The Statement of Net Position and the Statements of Activities**

The statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Council’s net position and changes in them. The Council’s net position - the difference between assets and liabilities - measure the Council’s financial position. The increases or decreases in the Council’s net position are an indicator of whether its financial position is improving or deteriorating.

**THE COUNCIL AS A WHOLE**

For the year ended June 30, 2017 and 2016.

	FYE 2017	FYE 2016
Beginning net position	\$3,663,157	\$3,509,873
Increase (decrease) in net position	<u>130,772</u>	<u>153,284</u>
Ending net position	\$3,793,929	\$3,663,157

**THE COUNCIL’S FUNDS**

The following schedule presents a summary of revenues and expenses for the fiscal year ended June 30, 2017, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2017	Percent	Increase (Decrease) From	Percent Increase (Decrease)
	Amount	of Total	FYE 2016	
Revenues:				
Intergovernmental	\$136,637	17%	(\$ 1,717)	(1%)
Public Support	\$ 23,830	3%	(\$ 7,421)	(24%)
Rental Income	\$ 24,458	3%	(\$ 4,493)	(16%)
Miscellaneous	\$ 12,803	1%	(\$ 1,913)	(13%)
Property Tax	<u>\$583,162</u>	<u>76%</u>	<u>\$ 11,081</u>	<u>2%</u>
Total Revenues	\$780,890	100%	\$( 4,463)	(52%)

The decrease in revenues is mainly due to decrease in intergovernmental revenue and public support.

	FYE 2016 Amount	Percent of Total	Increase (Decrease) From FYE 2015	Percent Increase (Decrease)
Revenues:				
Intergovernmental	\$138,354	19%	(\$120,620)	(43%)
Public Support	\$ 31,251	3%	\$ 2,784	10%
Rental Income	\$ 28,951	3%	\$ 3,332	13%
Miscellaneous	\$ 14,716	1%	(\$16,422)	(92%)
Property Tax	<u>\$572,081</u>	<u>74%</u>	<u>(\$29,373)</u>	<u>53)%</u>
Total Revenues	\$785,353	100%	(\$150,629)	(117%)

The decrease in revenues is mainly due to the slight decrease in property taxes collected.

	FYE 2017 Amount	Percent of Total	Increase (Decrease) From FYE 2016	Percent Increase (Decrease)
Expenses:				
Total	\$650,118	100%	\$18,049	3%

The increase from 2016 is mainly due to an increase in general operating costs.

	FYE 2016 Amount	Percent of Total	Increase (Decrease) From FYE 2015	Percent Increase (Decrease)
Expenses:				
Total	\$632,069	100%	\$45,782	7%

The increase from 2015 is mainly due to an increase in meals served.

## **BUDGETARY HIGHLIGHTS**

The Council's total revenues in fiscal year 2017 were more than the final budget by \$512,165. Actual expenses for the Council in fiscal year 2017 were more than the final budget by \$37,555. The General Fund is not budgeted but used in support of other programs.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At the end of June 30, 2017 and 2016, the Council had \$1,582,486 and \$1,646,192 net of accumulated depreciation, invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table).

	FYE 2017	FYE 2065
Land	\$ 55,000	\$ 55,000
Building	1,716,324	1,716,324
Buildings and improvements	15,578	15,578
Furniture and equipment	116,207	116,207
Vehicles	207,379	207,379
Accumulated Depreciation	<u>( 528,002)</u>	<u>( 464,296)</u>
Totals	\$1,582,486	\$1,646,192

There were no additions or deletions this year.

### **Debt**

There was no debt by the Council at June 30, 2017.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND REVENUES**

The Council's revenues are derived mainly from four sources, United State Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn passes through the funds to the Council, public support, property tax and fund raising.

### **CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT**

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Council's finances and to show the Council's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Jackson Council on the Aging at 120 Polk Avenue, Jonesboro, LA 71251

Nell Stadlander,  
Executive Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
STATEMENT OF NET POSITION  
JUNE 30, 2017

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 614,642
Certificates of Deposit	1,654,702
Accounts Receivable	5,123
Capital Assets:	
Non-Depreciable	55,000
Depreciable	<u>1,527,486</u>
<u>TOTAL ASSETS</u>	3,856,953
<u>LIABILITIES</u>	
Accounts Payable	16,074
Accrued Expenses	22,945
Noncurrent Liabilities	
Due Within One Year	
Compensated Absences	<u>24,005</u>
<u>TOTAL LIABILITIES</u>	63,024
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,582,486
Unrestricted, Utility Assistance	-
Unrestricted, Unreserved	<u>2,211,443</u>
<u>TOTAL NET POSITION</u>	<u>\$ 3,793,929</u>

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 34,736	\$ 8,051
Information and Assistance	375	160
Outreach	365	160
Transportation	46,811	33,738
Other Services	896	914
Nutrition Services:		
Congregate Meals	136,757	28,125
Home Delivered Meals	90,528	101,872
Utility Assistance	-	-
National Family Caregiver Support	-	84
Senior Activities	28,911	-
Administration	137,635	-
	<u>\$ 477,014</u>	<u>\$ 173,104</u>
Total Governmental Activities		

Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ -	\$ 16,438	\$ -	\$ (26,349)
-	206	-	(329)
-	206	-	(319)
-	30,946	-	(49,603)
-	691	-	(1,119)
-	3,687	-	(161,195)
-	7,055	-	(185,345)
-	-	-	-
-	84	-	-
-	-	-	(28,911)
-	23,830	-	(113,805)
<u>\$ -</u>	<u>\$ 83,143</u>	<u>\$ -</u>	<u>\$ (566,975)</u>

General Revenues:

Grants and Contributions not Restricted to Specific Programs	77,324
Property Taxes	583,162
Rental Income	24,458
Miscellaneous	1,065
Interest Income	11,738
Total General Revenues	<u>697,747</u>
Changes in Net Position	130,772
Net Position - Beginning	<u>3,663,157</u>
Net Position - Ending	<u>\$ 3,793,929</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

BALANCE SHEET  
GOVERNMENTAL FUNDS

JUNE 30, 2017

	General Fund	Title III B Supportive Services	Title C-1 Congregate Meals	Title C-2 Home Delivered Meals
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 614,642	\$ -	\$ -	\$ -
Certificates of Deposit	1,654,702	-	-	-
Accounts Receivable	-	3,919	305	608
Due From Other Funds	-	-	2,011	865
<u>TOTAL ASSETS</u>	<u>\$ 2,269,344</u>	<u>\$ 3,919</u>	<u>\$ 2,316</u>	<u>\$ 1,473</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 10,798	\$ 1,350	\$ 2,316	\$ 1,041
Other Accrued Expenses	22,945	-	-	-
Due To Other Funds	-	2,569	-	432
Total Current Liabilities	33,743	3,919	2,316	1,473
<u>FUND BALANCE</u>				
Fund Balance				
Restricted for:				
Utilities Assistance	-	-	-	-
Unassigned	2,235,601	-	-	-
Total Fund Balance	<u>2,235,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,269,344</u>	<u>\$ 3,919</u>	<u>\$ 2,316</u>	<u>\$ 1,473</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCES TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2017

<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>		
		Total Governmental Fund Balances	\$ 2,235,448
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$ -	\$ 614,642		
-	1,654,702		
291	5,123		
125	3,001		
<u>\$ 416</u>	<u>\$ 2,277,468</u>		
		Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,582,486
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(24,005)</u>
\$ 569	\$ 16,074		
-	22,945		
-	3,001		
<u>569</u>	<u>42,020</u>	Net Position of Governmental Activities	<u>\$ 3,793,929</u>
(153)	(153)		
-	2,235,601		
<u>(153)</u>	<u>2,235,448</u>		
<u>\$ 416</u>	<u>\$ 2,277,468</u>		

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC  
JONESBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>REVENUES</u>				
Intergovernmental	\$ 77,324	\$ 48,487	\$ 3,687	\$ 7,055
Property Tax	583,162	-	-	-
Public Support	-	2,357	12,573	8,900
Rental Income	24,458	-	-	-
Interest Income	11,738	-	-	-
Miscellaneous	1,065	-	-	-
Total Revenues	<u>697,747</u>	<u>50,844</u>	<u>16,260</u>	<u>15,955</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	43,851	58,098	98,277	134,871
Fringe	4,832	5,182	8,572	6,498
Travel	31	125	201	183
Operating Services	40,532	58,109	47,993	44,509
Operating Supplies	5,215	4,692	5,831	3,432
Other Costs	3,385	-	4,008	2,907
Capital Outlay	-	-	-	-
Principal Payments	-	-	-	-
Interest Expense	-	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	<u>97,846</u>	<u>126,206</u>	<u>164,882</u>	<u>192,400</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	599,901	(75,362)	(148,622)	(176,445)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	91,571	92,708	162,622	176,445
Operating Transfers - Out	(492,000)	(17,346)	(14,000)	-
Total Other Financing Sources (Uses)	<u>(400,429)</u>	<u>75,362</u>	<u>148,622</u>	<u>176,445</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	199,472	-	-	-
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>2,036,129</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,235,601</u>	<u>-</u>	<u>-</u>	<u>-</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

Nonmajor Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$ 199,472
\$ 84	\$ 136,637	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	583,162		
-	23,830		
-	24,458		
-	11,738		
-	1,065	Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
84	780,890	Capital outlay purchases capitalized	-
-	335,097	Depreciation expense	(63,706)
-	25,084		(63,706)
-	540		
-	191,143	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	
-	19,170		
84	10,384		(4,994)
-	-		
-	-		
-	-		
84	581,418	Change in Net Position in Governmental Activities	<u>\$ 130,772</u>
-	199,472		
9,707	533,053		
(9,707)	(533,053)		
-	-		
-	199,472		
(153)	2,035,976		
\$ (153)	\$ 2,235,448		

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 1- Summary of Significant Accounting Policies

The financial statements of Jackson Council on the Aging, Inc. have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. These statements have also incorporated any applicable requirements set forth by *Audits of State and Local Governments*, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and the *Louisiana Governmental Audit Guide*. The more significant of the Council's accounting policies are described below.

A. Reporting Entity

In 1964, the State of Louisiana passed Act 456 that authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Jackson Council on the Aging, Inc. is a non-profit, quasi-public, corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies that may impose certain restrictions upon how the Council can use the money that they have provided.

The primary function of Jackson Council on the Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms governs the Council.

The Council is not a component unit of another primary government nor does it have any component units that are related to it. Therefore, the Council has presented its financial statements as a separate special purpose government.

B. Financial Reporting

The Council follows the provisions of the Governmental Accounting Standards Board Statement, Nos. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement 34), 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus* (Statement 37), and 38, *Certain Financial Statement Note Disclosures* (Statement 38), which establish the financial reporting standards for all state and local governmental entities.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

The accompanying government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions of behalf of the Council. The Council accounts for its funds as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Office of Elderly Affairs funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The Council reports the following major governmental funds:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state, or local) from which they are derived. The following types of programs comprise the Council's General Fund:

Local Funds

Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (ACT 735) Funds

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

General Fund (continued)

Supplemental Senior Center Fund

Legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Jackson Council on the Aging, Inc. was one of the parish councils to receive a supplemental grant.

Title III-B Supportive Services Fund

This program provides access services, in-home services, community services, legal assistance and transportation for the elderly.

Title III C-1 Congregate Meals Fund

These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund

These funds are used to provide nutritional meals to home-bound older persons.

The remaining nonmajor funds are as follows:

Senior Center Fund

This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity and encourage their involvement in and with the community.

Title III-E National Family Caregiver Support

To assist in providing multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Utility Assistance Fund

The Utility Assistance fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish Councils on Aging to provide assistance to the elderly for the payment of their utility bills.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

MIPPA

This program provides funds to make elderly aware of Medicare Part D and assist them in signing up.

C. Funding Policies and Sources of Funds

The Council receives its monies through various methods of funding. NSIP program funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food cost in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) and Supplemental Senior Center funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, and E programs are funded based on actual operating cost incurred. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Council on Aging to the Council under the Helping Hands and Heating Help Energy programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenue when the cash is received because the Council cannot predict the timing and amount of receipt.

D. Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

**Restricted Fund Balance** – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed Fund Balance** – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Council's board of directors – the Council's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the board of directors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 1 - Summary of Significant Accounting Policies (continued)

Assigned Fund Balance – This classification reflects the amounts constrained by the Council’s “intent” to be used for specific purposes, but are neither restricted nor committed. The Council’s board of directors and management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the council’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

E. Estimates

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

F. Compensated Absences

Employees of Jackson Council on the Aging, Inc. earn from 12 to 21 days of annual leave each year with 30 days allowed to be carried over to the next year, depending on their length of service and the employee’s working status (full-time or part-time). Employees are compensated upon termination of employment for accrued annual leave up to a maximum of 30 days. Employees earn up to 12 days of sick leave each year. Employees are not paid for accrued sick leave at termination and no accrual has been made.

Note 2 - Cash and Certificates of Deposit

*Custodial Credit Risk - Deposits*

The custodial credit risk is the risk that in the event of a bank failure, the Council’s deposits may not be returned to it. The Council’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Council had a finding relating to its custodial risk related to its deposits at June 30, 2017.

At June 30, 2017, the Council has cash and cash equivalents (book balances net of overdrafts) in the amount of \$614,642.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 2 - Cash and Certificates of Deposit (continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. The following is a schedule of the Council's cash and certificates of deposit at June 30, 2017. Differences between Council balances and the bank balances arise because of the net effect of deposits in transit and outstanding checks.

	<u>Council Balances</u>	<u>Bank Balances</u>
Cash on Deposit	\$ 614,642	\$ 631,696
Certificates of Deposit	<u>1,654,702</u>	<u>1,654,702</u>
<b>TOTAL</b>	<b><u>\$ 2,269,344</u></b>	<b><u>\$ 2,286,398</u></b>

The Council's deposits are collateralized as follows:

FDIC Insured Deposits	\$1,000,000
Uninsured Deposits:	
Collateralized	<u>1,600,000</u>
<b>Total Deposits</b>	<b><u>\$2,600,000</u></b>

Note 3 - Fixed Assets

Fixed asset activity for the year ended June 30, 2017 is as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Assets:				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Building	1,713,274	-	-	1,713,274
Portable Building	15,578	-	-	15,578
Building Improvements	3,050	-	-	3,050
Vehicles	207,379	-	-	207,379
Furniture & Fixtures	<u>116,207</u>	-	-	<u>116,207</u>
<b>Totals at Historical Cost</b>	<b>2,110,488</b>	<b>-</b>	<b>-</b>	<b>2,110,488</b>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Less Accumulated Depreciation

For:				
Building	( 185,169)	( 43,226)	-	( 228,395)
Portable Building	( 15,578)	-	-	( 15,578)
Building Improvements	( 1,830)	( 305)	-	( 2,135)
Vehicles	( 168,990)	( 16,488)	-	( 185,478)
Furniture & Fixtures	( 92,729)	( 3,687)	-	( 96,416)
Total Accumulated Depreciation	( 464,296)	( 63,706)	-	( 528,002)
Fixed Assets, Net	\$ 1,646,192	\$( 63,706)	\$ -	\$ 1,582,486

Depreciation was charged to Administration activities of the Council for \$63,706.

Note 4- Long-Term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities: Other Liabilities:					
Accrued Vacation	<u>\$ 19,011</u>	<u>4,994</u>	<u>-</u>	<u>\$ 24,005</u>	<u>\$24,005</u>
Total Long-Term Debt	<u>\$ 19,011</u>	<u>\$ 4,994</u>	<u>\$ -</u>	<u>\$ 24,005</u>	<u>\$24,005</u>

Payment of compensated absences is dependent upon many factors; therefore, the timing of future payments is not readily determinable.

Note 5 - In-Kind Contributions

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded. The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

Note 6 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 7 - Income Tax Status

The Council, a non-profit corporation is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no unrelated business income for the year ended June 30, 2017. The earliest income tax year that is subject to examination is 2013.

Note 8 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2017, nor is the Council aware of any unasserted claims.

Note 9- Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; 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. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 10- Federal Award Programs

The Council receives revenues from various federal and state grant programs that are subject to final review and approval as to the allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the *Single Audit Act Amendment of 1996* and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 11 -Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the 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 12 -Subsequent Events

Subsequent events have been evaluated through November 7, 2017, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017

Note 13-Interfund Transfers

Operating transfers in and out are listed by fund for 2017:

<u>Funds Transferred In</u>	<u>Funds Transferred Out</u>							<u>Total In</u>
	<u>Supplemental Senior Center</u>	<u>PCOA</u>	<u>III B</u>	<u>General Fund</u>	<u>C1</u>	<u>Senior Center</u>	<u>IIIE</u>	
Senior Center	\$ -	\$ -	\$ -	\$66,546	\$ -	\$ -	\$ -	\$66,546
Title IIIB - Supportive Services	10,913	-	-	81,796	-	-	-	92,709
Title III C-1	-	-	371	162,251	-	-	-	162,622
Title III C-2	-	37,500	10,000	94,945	14,000	20,000	-	176,445
Title III E	-	-	-	9,707	-	-	-	9,707
General Fund	-	-	<u>6,976</u>	-	-	<u>8,342</u>	<u>9,707</u>	<u>25,025</u>
<b>Total Out</b>	<u>\$ 10,913</u>	<u>\$ 37,500</u>	<u>\$17,347</u>	<u>\$ 415,245</u>	<u>\$14,000</u>	<u>\$28,342</u>	<u>\$ 9,707</u>	<u>\$533,053</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)  
BUDGETARY COMPARISON SCHEDULES

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 77,324	\$ 77,324	\$ 77,324	\$ -
Public Support	-	-	-	-
Property Taxes	-	-	583,162	583,162
Rental Income	-	-	24,458	24,458
Interest Income	-	-	11,738	11,738
Miscellaneous	-	-	1,065	1,065
Total Revenues	<u>77,324</u>	<u>77,324</u>	<u>697,747</u>	<u>620,423</u>
<u>Expenditures</u>				
Salaries	38,530	41,680	43,851	(2,171)
Fringe	4,200	4,800	4,832	(32)
Travel	9	52	31	21
Operating Services	13,343	19,033	40,532	(21,499)
Operating Supplies	624	1,239	5,215	(3,976)
Other Costs	700	700	3,385	(2,685)
Principal Payments	-	-	-	-
Interest Expense	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>57,406</u>	<u>67,504</u>	<u>97,846</u>	<u>(30,342)</u>
<u>Excess of Revenues Over Expenditures</u>				
	19,918	9,820	599,901	590,081
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	91,571	91,571
Transfers Out	(410,405)	(306,405)	(492,000)	(185,595)
Total Other Financing Sources (Uses)	<u>(410,405)</u>	<u>(306,405)</u>	<u>(400,429)</u>	<u>(94,024)</u>
<u>Net Change in Fund Balance</u>	(390,487)	(296,585)	199,472	496,057
<u>Fund Balance at Beginning of Year</u>	<u>2,036,129</u>	<u>2,036,129</u>	<u>2,036,129</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,645,642</u>	<u>\$ 1,739,544</u>	<u>\$ 2,235,601</u>	<u>\$ 496,057</u>

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE III B - SUPPORTIVE SERVICES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 48,860	\$ 48,860	\$ 48,487	\$ (373)
Public Support	3,000	2,600	2,357	(243)
Total Revenues	<u>51,860</u>	<u>51,460</u>	<u>50,844</u>	<u>(616)</u>
<u>Expenditures</u>				
Salaries	46,775	53,004	58,098	(5,094)
Fringe	5,100	6,105	5,182	923
Travel	15	96	125	(29)
Operating Services	46,312	57,355	58,109	(754)
Operating Supplies	6,817	7,547	4,692	2,855
Other Costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>105,019</u>	<u>124,107</u>	<u>126,206</u>	<u>(2,099)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(53,159)	(72,647)	(75,362)	(2,715)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	<u>53,159</u>	<u>72,647</u>	<u>75,362</u>	<u>2,715</u>
<u>Net Change in Fund Balance</u>				
	-	-	-	-
<u>Fund Balance at Beginning of Year</u>				
	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE CI - CONGREGATE MEALS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 64,286	\$ 64,286	\$ 3,687	\$ (60,599)
Public Support	13,750	13,750	12,573	(1,177)
Total Revenues	<u>78,036</u>	<u>78,036</u>	<u>16,260</u>	<u>(61,776)</u>
<u>Expenditures</u>				
Salaries	104,461	97,340	98,277	(937)
Fringe	11,391	11,214	8,572	2,642
Travel	236	125	201	(76)
Operating Services	45,414	44,651	47,993	(3,342)
Operating Supplies	76,356	7,306	5,831	1,475
Other Costs	-	-	4,008	(4,008)
Capital Outlay	-	-	-	-
Total Expenditures	<u>237,858</u>	<u>160,636</u>	<u>164,882</u>	<u>(4,246)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(159,822)	(82,600)	(148,622)	(66,022)
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>159,822</u>	<u>82,600</u>	<u>148,622</u>	<u>66,022</u>
<u>Net Change in Fund Balance</u>	-	-	-	-
<u>Fund Balance at Beginning of Year</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
BUDGETARY COMPARISON SCHEDULE  
TITLE C2 - HOME DELIVERED MEALS  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 52,521	\$ 52,521	\$ 7,055	\$ (45,466)
Public Support	10,500	9,400	8,900	(500)
Total Revenues	<u>63,021</u>	<u>61,921</u>	<u>15,955</u>	<u>(45,966)</u>
<u>Expenditures</u>				
Salaries	122,058	118,195	134,871	(16,676)
Fringe	13,310	13,614	6,498	7,116
Travel	238	149	183	(34)
Operating Services	50,123	51,655	44,509	7,146
Operating Supplies	63,973	7,919	3,432	4,487
Other Costs	-	-	2,907	(2,907)
Capital Outlay	-	-	-	-
Total Expenditures	<u>249,702</u>	<u>191,532</u>	<u>192,400</u>	<u>(868)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(186,681)	(129,611)	(176,445)	(46,834)
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>186,681</u>	<u>129,611</u>	<u>176,445</u>	<u>46,834</u>
<u>Net Change in Fund Balance</u>				
	-	-	-	-
<u>Fund Balance at Beginning of Year</u>				
	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this financial statement.

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO BUDGETARY COMPARISON SCHEDULES  
FOR THE YEAR ENDED JUNE 30, 2017

The Council follows these procedures in establishing the budgetary data reflected in these financial statements:

*The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.*

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30<sup>th</sup> of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

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 prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the utility assistance fund because they were not legally required and the amount of revenues to be received under this program could not be determined.

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY  
GOEA

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

GENERAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

	<u>Programs of the General Fund</u>				<u>Total General Fund</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Senior Center</u>	<u>Supplemental Senior Center</u>	
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ 614,642	\$ -	\$ -	\$ -	\$ 614,642
Certificate of Deposit	1,654,702	-	-	-	1,654,702
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	-	-	-	-
<u>TOTAL ASSETS</u>	<u>\$ 2,269,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,269,344</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 10,798	\$ -	\$ -	\$ -	\$ 10,798
Other Accrued Expenses	22,945	-	-	-	22,945
Due To Other Funds	-	-	-	-	-
Total Current Liabilities	<u>33,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,743</u>
<u>FUND BALANCE</u>					
Unassigned	<u>2,235,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,235,601</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,269,344</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,269,344</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

GENERAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Programs of the General Fund</u>				<u>Total General Fund</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Senior Center</u>	<u>Supplemental Senior Center</u>	
<u>Revenues</u>					
Intergovernmental	\$ -	\$ 37,500	\$ 28,911	\$ 10,913	\$ 77,324
Public Support	-	-	-	-	-
Property Taxes	583,162	-	-	-	583,162
Rental Income	24,458	-	-	-	24,458
Miscellaneous	1,065	-	-	-	1,065
Interest Income	11,738	-	-	-	11,738
Total Revenues	<u>620,423</u>	<u>37,500</u>	<u>28,911</u>	<u>10,913</u>	<u>697,747</u>
<u>Expenditures</u>					
Salaries	-	-	43,851	-	43,851
Fringe	-	-	4,832	-	4,832
Travel	31	-	-	-	31
Operating Services	22,662	-	17,870	-	40,532
Operating Supplies	4,653	-	562	-	5,215
Other Costs	3,385	-	-	-	3,385
Principal Payments	-	-	-	-	-
Interest Payments	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>30,731</u>	<u>-</u>	<u>67,115</u>	<u>-</u>	<u>97,846</u>
<u>Excess of Revenues Over Expenditures</u>	589,692	37,500	(38,204)	10,913	599,901
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	25,025	-	66,546	-	91,571
Operating Transfers Out	(415,245)	(37,500)	(28,342)	(10,913)	(492,000)
Total Other Financing Sources (Uses)	<u>(390,220)</u>	<u>(37,500)</u>	<u>38,204</u>	<u>(10,913)</u>	<u>(400,429)</u>
<u>Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses</u>	199,472	-	-	-	199,472
<u>Fund Balance at Beginning of Year</u>	<u>2,036,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,036,129</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,235,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,235,601</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2017

	<u>Title III E</u> <u>Caregiver</u>	<u>Utilities</u> <u>Assistance</u>	<u>MIPPA</u>	<u>Total Nonmajor</u> <u>Special Revenue</u> <u>Funds</u>
<u>ASSETS</u>				
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -
Accounts Receivable	291	-	-	291
Due to Other Funds	125			125
<u>TOTAL ASSETS</u>	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 416	\$ -	\$ 153	\$ 569
Due To Other Funds	-	-	-	-
Total Liabilities	<u>416</u>	<u>-</u>	<u>153</u>	<u>569</u>
 Fund Balances:				
Restricted for:				
Utilities Assistance	<u>-</u>	<u>-</u>	<u>(153)</u>	<u>(153)</u>
<u>TOTAL LIABILITIES AND</u> <u>FUND BALANCES</u>	<u>\$ 416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 416</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2017

	Title III E Caregiver	Utilities Assistance	MIPPA	Total Nonmajor Special Revenue Funds
<u>REVENUES</u>				
Intergovernmental:				
North Delta Regional Planning and Development District	\$ 84	\$ -	\$ -	\$ 84
State Contract	-	-	-	-
Public Support:				
LA Association of Councils on Aging	-	-	-	-
Client Contributions	-	-	-	-
Total Public Support	-	-	-	-
Total Revenues	84	-	-	84
<u>EXPENDITURES</u>				
Current:				
Salaries	-	-	-	-
Fringe	-	-	-	-
Travel	-	-	-	-
Operating Services	-	-	-	-
Operating Supplies	-	-	-	-
Other Costs	84	-	-	84
Capital Outlay	-	-	-	-
Total Current Expenditures	84	-	-	84
Capital Outlay	-	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	84	-	-	84
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>				
	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	9,707	-	-	9,707
Operating Transfers - Out	(9,707)	-	-	(9,707)
Total Other Financing Sources (Uses)	-	-	-	-
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>				
	-	-	-	-
<u>FUND BALANCES AT BEGINNING OF YEAR</u>				
	-	-	(153)	(153)
<u>FUND BALANCES AT END OF YEAR</u>				
	\$ -	\$ -	\$ (153)	\$ (153)

GENERAL FIXED ASSET ACCOUNT GROUP

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2017 AND 2016

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 55,000	\$ -	\$ -	\$ 55,000
Building	1,713,274	-	-	1,713,274
Building Improvements	3,050	-	-	3,050
Portable Building	15,578	-	-	15,578
Vehicles	207,379	-	-	207,379
Office Furniture and Equipment	116,207	-	-	116,207
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$ 2,110,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,110,488</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ -	\$ -	\$ -	\$ -
Property Acquired After July 1, 1985				
With Funds From:				
Act 735 PCOA	80,405	-	-	80,405
General Fund	1,936,145	-	-	1,936,145
Donation	20,000	-	-	20,000
Local Funds	15,578	-	-	15,578
Title III- E Caregiver	74	-	-	74
Title III- D Preventive Health	3,010	-	-	3,010
Title III- C-1	1,553	-	-	1,553
Title III- C-2	431	-	-	431
Title III- B Supportive Services	284	-	-	284
Senior Center	8	-	-	8
Supplemental Senior Center	-	-	-	-
Department of Transportation Sec. 5310 E&D	53,000	-	-	53,000
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 2,110,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,110,488</u>

\* Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1985.

OTHER SUPPLEMENTAL INFORMATION

JACKSON COUNCIL ON THE AGING INC.  
JONESBORO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services - Administration on Aging: Passed Through Governor's Office of Elderly Affairs: Aging Cluster of Special Programs for the Aging:				
Title III, Part B - Supportive Services	93.044	\$ 36,388	\$ 36,388	\$ 36,388
Title III, Part C - Congregate Meals	93.045	2,772	2,772	2,772
Title III, Part C - Home Delivered Meals	93.045	5,348	5,348	5,348
Title III, Part E - National Family Caregiver Support	93.052	84	84	84
Total of Aging Cluster		<u>44,592</u>	<u>44,592</u>	<u>44,592</u>
<u>TOTAL FEDERAL AWARDS</u>		<u>\$ 44,592</u>	<u>\$ 44,592</u>	<u>\$ 44,592</u>

JACKSON COUNCIL ON THE AGING, INC.  
JONESBORO, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2017

1. General

The Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Council. The Council did not pass through any of its federal awards to a subrecipient during the year.

2. Basis of Accounting

The Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting as contemplated under accounting principles generally accepted in the United States of America and which is the same basis of accounting used for presenting the general purpose financial statements. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

To the Board of Directors  
Jackson Council on the Aging, Inc.  
Jonesboro, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Jackson Council on the Aging, Inc. as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Jackson Council on the Aging, Inc.'s basic financial statements and have issued my report thereon dated November 7, 2017

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the Jackson Council on the 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Jackson Council on the Aging, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Jackson Council on the Aging, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Council's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is 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.

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of my 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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. The purpose of this report is for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

*David M. Naud, CPA (APAC)*

West Monroe, Louisiana  
November 7, 2017

JACKSON COUNCIL ON THE AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

To the Board of Directors  
 Jackson Council on the Aging, Inc.  
 Jonesboro, Louisiana

I have audited the financial statements of Jackson Council on the Aging, Inc. as of and for the year ended June 30, 2017, and have issued my report thereon dated November 7, 2017. I conducted my 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. My audit of the financial statements as of June 30, 2017, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Compliance

Compliance Material to Financial Statements \_\_\_ yes X no

B. Federal Awards

Material Weakness Identified \_\_\_ yes X no

Significant Deficiencies not considered to be  
 Material Weaknesses \_\_\_ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified \_\_\_ Qualified \_\_\_

Disclaimer \_\_\_ Adverse \_\_\_

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)?  
 N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)  
 CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

JACKSON COUNCIL ON THE AGING, INC  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2017

Section II- Financial Statement Findings – N/A

Section III- Federal Award Findings and Question Costs - N/A

JACKSON COUNCIL ON THE AGING, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2017

Section I- Internal Control and Compliance Material to the Financial Statements

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

JACKSON COUNCIL ON AGING, INC.  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO  
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Executive Director Neil Stadlander</u>
Purpose	
Salary	\$ 51,237
Benefits - Insurance	866
Total	<u>\$ 52,103</u>

INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Jackson Council on Aging, Inc. and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Jackson 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, I 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:

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
  - 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.
  - c) **Disbursements**, including processing, reviewing, and approving
  - d) **Receipts**, including receiving, recording, and preparing deposits
  - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - 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
  - 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
  - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 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.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Currently, the Jackson Council on Aging, Inc. does not have written policies and procedures addressing budgeting, purchasing, disbursements, receipts, payroll/personnel, contracting, ethics and debt service, but are in the process of writing policies as of June 30.

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.
  - 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).
    - 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.
  - 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 Council's minutes were reviewed without exception and the Board meets quarterly. The minutes include financial statements for the Board to review.

3. Obtain a listing of client bank accounts from management and management's 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;
  - 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
  - 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.

The Council on Aging has four bank accounts and all bank reconciliations for each month have been prepared. There is no evidence that a member of management with no involvement in the transactions associated with the bank account has reviewed each bank reconciliation. There are no outstanding checks over six months old on any reconciliation.

5. Obtain a listing of cash/check/money order (cash) collection locations and management's 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.
  - b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
  - c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
    - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
    - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.
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.

All cash/checks/money order (cash) collection is done at two locations, the Council on Aging's office in Jonesboro, LA and an additional site location in Chatham, LA. There is only one employee that handles all aspects of the accounting process and she is bonded. That employee receives the checks and all cash received for meal site collections and makes the deposit. A copy of the check received is made and put in the file and no sequentially numbered receipts are used. An outside CPA firm records all transactions.

The highest (dollar) week of cash collections was selected and traced to the deposit slip and bank statement without exception. There is no written policy for the Council on Aging to determine completeness of all collections.

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

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Requisition or purchase orders are not used in purchasing and there is approval on the invoices. There is only one employee in charge of all areas of the accounting function, but an outside CPA firm records all transactions. The CPA firm can add vendors to the computer system, but has no signatory authority. The Director has signatory authority along with one other Board member, and initiates all purchases. Blank checks are maintained in the locked filing cabinet and no signature stamp is used.

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.
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.]
  - b) Report whether finance charges and/or late fees were assessed on the selected statements.
16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).
    - a) For each transaction, report whether the transaction is supported by:
      - An original itemized receipt (i.e., identifies precisely what was purchased)
      - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
      - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
    - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
    - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed).  
If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

The Council on Aging only has three credit cards for purchases. These purchases can be seen monthly on the bank statements. The bookkeeper matches the receipts for purchases with the bank statement each month. There were no exceptions noted for this and there were also no finance charges incurred during the year.

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.
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](http://www.gsa.gov)) and report any amounts that 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.
  - 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.]
    - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
    - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
  - 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.
  - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

A list of all travel and related expense reimbursements, by person, was obtained. From this list, 3 employees that incurred the most travel costs during the year were selected to test the reimbursement reports, itemized receipts, that the purpose was documented and all reviewed without exception. The Council pays very little in travel or mileage reimbursements during the year. The Council on Aging does not have a written travel policy, but they are currently working on one. The reimbursements are reviewed and approved by someone other than the person receiving reimbursement.

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.

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

The only contracts in effect with the Council on Aging are contracts with the Area Agency on Aging which oversees 6 other Councils on Aging in Northeast Louisiana, the outside CPA firm that performs the monthly bookkeeping, and a pest control contract. The amounts paid were compared to their individual contracts without exception.

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

There are 13 employees at the Council on Aging. There are no formal employment contracts or pay rate structure. No changes were made to salaries during the year. Attendance records for all employees were tested for one pay period without exception and no employees were terminated during the year.

All employee and employer portions of payroll taxes and the required reporting forms were filed timely.

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.
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.

No employees received the required ethics training. Inquired as to any alleged ethics violations being reported to them and there were none.

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

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 Council on Aging has no debt. The Council on Aging receives a millage for operations that is collected by the Parish Tax Collector and remitted to the Council on Aging.

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.
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](http://www.lla.la.gov/hotline)) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Inquired of management whether the Council on Aging had any misappropriations of public funds or assets and there was none. The entity does not have posted on its premises, the notice required by R.S. 24:523.1.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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

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West Monroe, Louisiana  
November 7, 2017