

*Terrebonne Council on Aging, Inc.*

*Houma, Louisiana*

*For the year ended June 30, 2017*

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For the year ended June 30, 2017

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**PRINCIPAL OFFICIALS**

**Terrebonne Council on Aging, Inc.**

June 30, 2017

**BOARD OF DIRECTORS**

	<u>Term</u> <u>Expiration Date</u>
Ivy Dupre, Chairman	December 31, 2018
L.J Folse, Vice Chairman	December 31, 2021
Victoria Rouse, Secretary	December 31, 2018
Bert LeBoeuf, Treasurer	December 31, 2020
Charles Boudreaux	December 31, 2020
H. Rene Rhodes	December 31, 2019
Janet Hickman	December 31, 2020
Debra Marcel Thibodeaux	December 31, 2017
Louis Pitre	December 31, 2021
Natalie Bergeron	December 31, 2017
Thomas Guidroz	December 31, 2019

**FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc., (the Council), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules and the Schedule of Funding Progress for the OPEB Plan on pages 4 through 10, 48 through 54, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires with management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 16, 2017 on our consideration of the Terrebonne Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Council's internal control over financial reporting and compliance.

*Bougeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 16, 2017.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Council on Aging, Inc.**

Management's Discussion and Analysis of the Terrebonne Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The Council's assets exceeded its liabilities at the close of fiscal year 2017 by \$27,331,765 (net position), which represents a 2.01% decrease from last fiscal year.

The Council's revenue decreased \$847,227 (or 11.73%) primarily as a result of decreases in capital grants and contributions from the Terrebonne Parish Consolidated Government.

The Council's expenses increased \$267,111 (or 4.00%) primarily due to increases in personal services and supplies.

Other long-term assets increased by \$5,500,000. The increase is due to the Council's participation in the Houma School Apartments, L.L.C. See Note 8 in the notes to the financial statements.

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

This discussion and analysis is intended to serve as an introduction to the Council's basic financial statements. The Council's annual report consists of six parts: (1) management's discussion and analysis (this section) (2) basic financial statements (3) required supplementary information, and (4) the optional section that presents combining statements for the General Fund and non-major governmental funds and other supplementary information (5) various governmental compliance reports and schedules by certified public accountants and management and (6) agreed upon procedures.

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

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

The government-wide financial statements (Exhibits A and B) are designed to provide readers with a broad overview of the Council's finances, in a manner similar to a private sector business. The Statement of Net Position presents information on all of the Council's assets, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating. The Statement of Activities presents information showing how the Council's net position changed

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

### **Notes to the Financial Statements**

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

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (GASB Required Supplementary Information: Exhibits H, I, J and K). GASB Statement No. 45 requires a funding progress schedule on the Council's OPEB plan (Exhibit M).

The Council has a section of supplementary information. The Governor's Office of Elderly Affairs (GOEA) has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (Schedules 3, 4 and 6). GOEA also requires the Council to present combining schedules of its General Fund Programs (Schedules 1 and 2), and a comparative schedule of Units of Service (Schedule 7). Louisiana state law requires the Schedule of Compensation Benefits, and Other Payments to Agency Head or Chief Executive Officer, (Schedule 5).

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

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. As of June 30, 2017, assets exceeded liabilities by \$27,331,765. A large portion of the Council's net position (25.02%) reflects its investment in capital assets (e.g., land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; vehicles, machinery and equipment). Consequently, these assets are not available for future spending.

#### **Condensed Statements of Net Position**

	June 30,		Dollar Change
	2017	2016	
Current and other assets	\$ 21,684,735	\$ 21,781,676	\$ (96,941)
Capital assets	6,837,193	7,117,140	(279,947)
Total assets	<u>28,521,928</u>	<u>28,898,816</u>	<u>(376,888)</u>
Long-term liabilities outstanding	947,410	676,350	271,060
Other liabilities	<u>242,753</u>	<u>329,682</u>	<u>(86,929)</u>
Total liabilities	<u>1,190,163</u>	<u>1,006,032</u>	<u>184,131</u>
Net Position:			
Net investment in capital assets	6,837,193	7,437,265	(600,072)
Restricted	16,781	12,391	4,390
Unrestricted	<u>20,477,791</u>	<u>20,443,128</u>	<u>34,663</u>
Total net position	<u>\$ 27,331,765</u>	<u>\$ 27,892,784</u>	<u>\$ (561,019)</u>

Included in cash and other assets as of June 30, 2017 is the Council's participation in the Houma School Apartments, L.L.C. \$5,500,000. As of July 1, 2016, the Council retroactively reclassified \$320,125 for its share of the Houma School Apartments, L.L.C. as of June 30, 2016. The increase in long-term liabilities is due to the increase in post-employment obligations.

## Governmental Activities

Governmental activities decreased the Council's net position by \$561,019. Key elements of this decrease are as follows:

### Condensed Changes in Net Position

	For the year ended June 30,		Dollar Change	Total Percent Change
	2017	2016		
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 104,719	\$ 101,881	\$ 2,838	2.79%
Operating grants and contributions	1,463,068	1,326,581	136,487	10.29%
Capital grants and contributions	-	204,599	(204,599)	-100.00%
General revenues:				
Grants and contributions not restricted to specific programs	4,766,910	5,556,913	(790,003)	-14.22%
Unrestricted investment earnings	27,448	28,129	(681)	-2.42%
Miscellaneous	14,334	5,603	8,731	155.83%
Total revenues	6,376,479	7,223,706	(847,227)	-11.73%
<b>Expenses:</b>				
Health and welfare	6,937,498	6,670,387	267,111	4.00%
Increase in net position	(561,019)	553,319	(1,114,338)	-201.39%
Net position beginning of year	27,892,784	25,971,413	1,921,371	7.40%
Restatement	-	1,368,052	(1,368,052)	100.00%
Net position, beginning of year as restated	27,892,784	27,339,465	553,319	2.02%
Net position end of year	\$ 27,331,765	\$ 27,892,784	\$ (561,019)	-2.01%

Capital grants and contributions in program revenue decreased due to receiving non-recurring grant awards in the prior year. Operating grants and contributions in general revenues increased as a result of the activity in the current year involving grants. Expenses increased due to increases in salaries, fringes, insurance, and operating supplies.

The prior year's restatement of beginning net position is the result of an Attorney General's opinion the Council which stated the Terrebonne Parish Consolidated Government is the proper entity to collect, manage and administer ad valorem tax used to support the Council.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

## **Governmental Funds**

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the Council's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances of \$15,941,982, a decrease of \$5,189,887 in comparison with the prior year. The Council's total General Fund balance decreased by \$5,197,074 during the current fiscal year; whereas, the combined increase in fund balance for all other governmental funds was \$7,187. The unassigned fund balance component of the General Fund was \$7,810,298 (Exhibit C) and is available for spending at the Council's discretion. The remainder of the General Fund's fund balance of \$8,068,192 is comprised of \$409,263 of nonspendable resources, \$928 of restricted resources, \$2,917,570 of committed resources and \$4,740,431 of assigned resources. The \$63,492 fund balance of all other governmental funds is comprised of \$16,781 of restricted resources, and the remaining \$46,711 is assigned to special projects.

### **General Fund Budgetary Highlights**

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

#### Revenues

- Intergovernmental revenues increased by \$2,142,838 to reflect anticipation of receipts of governmental contributions.

#### Expenditures

- Capital outlay expenditures increased \$3,593,624 to reflect actual expenditures for the Houma School Apartments in the fiscal year.

The major differences in the original and final budgets of other major funds include Title III B Supportive Services were decreased in revenues and expenditures by \$7,344 and \$381,544, primarily due to the decreases in salaries, and operating services during the year. Title III C Home Delivered Meals Fund decreased total expenditures by \$586,666 to reflect decreases in salaries, fringe benefits, operating services and supplies. Rural Fund increased total expenditures by \$240,702 to reflect increases in salaries, fringe benefits, operating services and supplies.

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

## CAPITAL ASSETS

### Capital Assets

The Council's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$6,837,193 (net of accumulated depreciation). This investment in capital assets includes land; intangible assets; buildings and leasehold improvements; office furniture, fixtures and equipment; and vehicles, machinery and equipment (see table below).

	<u>2017</u>	<u>2016</u>
Land	\$ 723,889	\$ 723,889
Intangible assets	1,750	5,250
Buildings and leasehold improvements	5,541,841	5,739,340
Office furniture, fixtures and equipment	102,232	101,971
Vehicles, machinery and equipment	<u>467,481</u>	<u>546,690</u>
Totals	<u>\$ 6,837,193</u>	<u>\$ 7,117,140</u>

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

- Renovated the Chauvin Senior Center.
- Purchase of two vans and five vehicle camera systems.
- Purchase five touch screen computers.
- Purchase time clock system.

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

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

The Council receives most of its funding from Federal and State agencies and grants of local ad valorem taxes. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council, and therefore, revenues from grants may vary from year to year. There have been no significant changes to the funding levels or terms of the grants and contracts. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's budget for fiscal year 2017-2018. The Council plans to implement the following programs during the fiscal year ending June 30, 2018:

- Security and other improvements at the warehouse.
- Future building of another elderly housing complex.
- Purchases of vans and buses.

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

- Consideration of funding to be received from GOEA.
- Grants of ad valorem tax proceeds budgeted represents the estimated amount of the November 2017 assessment, which the Council will receive, for the most part, in the first quarter of 2018.
- Interest revenues have been budgeted with no anticipation of an increase in interest rates.
- Salaries and benefits are based on the number of employees needed to perform necessary services and the related benefits.
- Travel rates.
- Services the Council will provide along with estimated service cost.
- Estimate of operating supplies needed to perform necessary services.
- Detail plan of equipment needed to be purchased.
- Detail plan of capital projects required to provide services.

### **REQUESTS FOR INFORMATION**

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

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

June 30, 2017

	<u>Primary Government</u>	<u>Component Unit</u>
<b>Assets</b>		
Cash	\$ 14,916,811	\$ 194,843
Investments	721,995	-
Contracts receivable	94,139	-
Other receivable	42,527	-
Other current assets	55,643	31,276
Advances to component unit	353,620	-
Restricted deposits	-	198,817
Capital assets:		
Non-depreciable	723,889	1,300,000
Depreciable, net of accumulated depreciation	6,113,304	4,390,968
Other long-term assets	5,500,000	-
	<u>28,521,928</u>	<u>6,115,904</u>
<b>Liabilities</b>		
Accounts payable and accrued expenses	242,753	176,166
Advances from funding agencies	-	434,319
Non-current liabilities - due in more than one year	947,410	-
	<u>1,190,163</u>	<u>610,485</u>
<b>Net Position</b>		
Net investment in capital assets	6,837,193	-
Restricted for -		
Other purposes	16,781	3,352,470
Unrestricted	20,477,791	2,152,949
	<u>\$ 27,331,765</u>	<u>\$ 5,505,419</u>

See notes to financial statements.

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

For the year ended June 30, 2017

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	Component Unit
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:							
Health, welfare and social services:							
Supportive Services:							
Personal Care	\$ 207,720	\$ -	\$ -	\$ 37,884	\$ -	\$ (169,836)	
Other Services	50,083	57,560	-	2,146	-	(105,497)	
Homemaker	249,236	-	-	31,346	-	(217,890)	
Information and Assistance	234,039	209,668	-	60,578	-	(383,129)	
Legal Assistance	5,476	-	-	5,363	-	(113)	
Material Aid	160,065	105,813	-	8,744	-	(257,134)	
Outreach	14,357	17,695	-	10,726	-	(21,326)	
Transportation	1,200,984	448,123	16,540	553,838	-	(1,078,729)	
Wellness	128,321	44,484	-	6,029	-	(166,776)	
Recreation	180,657	53,168	-	32,077	-	(201,748)	
Nutrition Services:							
Congregate Meals	451,393	160,211	2,812	200,330	-	(408,462)	
Home Delivered Meals	1,377,895	483,446	-	319,041	-	(1,542,300)	
Elderly Housing	62,905	27,585	85,367	-	-	(5,123)	
Utility Assistance	145,068	447	-	2,113	-	(143,402)	
Respite	343,864	-	-	35,149	-	(308,715)	
Medication Management	25,660	8,652	-	23,030	-	(11,282)	
Medicare Improvement MIIPP	12,468	3,583	-	13,500	-	(2,551)	
Administration	2,087,307	(1,620,435)	-	121,174	-	(345,698)	
Total governmental activities	\$ 6,937,498	\$ -	\$ 104,719	\$ 1,463,068	\$ -	(5,369,711)	
Component Unit:							
Elderly Housing	\$ 436,691			\$ 359,468		(77,223)	
General revenues:							
Grants and contributions not restricted to specific programs						4,766,910	
Unrestricted investment earnings						27,448	
Miscellaneous						14,334	
Total general revenues						4,808,692	
Change in net position						(561,019)	(77,223)
Net position:							
Beginning of year						27,892,784	5,582,642
End of year						\$ 27,331,765	\$ 5,505,419

See notes to financial statements.

**FUND BALANCE SHEET -  
GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2017

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash	\$ 14,916,811	\$ -	\$ -	\$ -	\$ -	\$ 14,916,811
Investments	721,995	-	-	-	-	721,995
Contracts receivable	-	-	-	85,369	8,770	94,139
Other receivables	14,869	6,054	8,632	4,794	8,178	42,527
Due from other funds	76,248	46,947	43,815	-	83,174	250,184
Other current assets	55,643	-	-	-	-	55,643
Advances to component unit	353,620	-	-	-	-	353,620
<b>Total assets</b>	<b>\$ 16,139,186</b>	<b>\$ 53,001</b>	<b>\$ 52,447</b>	<b>\$ 90,163</b>	<b>\$ 100,122</b>	<b>\$ 16,434,919</b>
<b>Liabilities</b>						
Accounts payable and accrued expenditures	\$ 86,760	\$ 53,001	\$ 52,447	\$ 16,794	\$ 33,751	\$ 242,753
Due to other funds	173,936	-	-	73,369	2,879	250,184
<b>Total liabilities</b>	<b>260,696</b>	<b>53,001</b>	<b>52,447</b>	<b>90,163</b>	<b>36,630</b>	<b>492,937</b>
<b>Fund Balances</b>						
<b>Nonspendable</b>						
Prepaid expenditures	55,643	-	-	-	-	55,643
Advances to component unit	353,620	-	-	-	-	353,620
Restricted	928	-	-	-	16,781	17,709
Committed						
Disaster relief	2,917,570	-	-	-	-	2,917,570
<b>Assigned</b>						
Retiree health insurance	2,593,382	-	-	-	-	2,593,382
Subsequent year's expenditures	1,763,196	-	-	-	-	1,763,196
Compensated absences	305,038	-	-	-	-	305,038
Special projects	78,815	-	-	-	46,711	125,526
Unassigned	7,810,298	-	-	-	-	7,810,298
<b>Total fund balances</b>	<b>15,878,490</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,492</b>	<b>15,941,982</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 16,139,186</b>	<b>\$ 53,001</b>	<b>\$ 52,447</b>	<b>\$ 90,163</b>	<b>\$ 100,122</b>	<b>\$ 16,434,919</b>

See notes to financial statements.

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

**Terrebonne Council on Aging, Inc.**

June 30, 2017

**Fund Balances - Governmental Funds** \$ 15,941,982

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

Capital assets and other long-term assets used in governmental  
activities are not financial resources and, therefore,  
are not reported in the governmental funds:

Governmental capital assets	\$ 10,331,858	
Less accumulated depreciation	<u>(3,494,665)</u>	6,837,193
Other long-term assets		5,500,000

Non-current liabilities are not due and payable  
in the current period and therefore  
are not reported in the funds:

Postemployment benefit obligations	(679,587)	
Compensated absences payable	<u>(267,823)</u>	<u>(947,410)</u>

**Net Position of Governmental Activities** **\$ 27,331,765**

See notes to financial statements.

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

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	General Fund	Title III B - Supportive Services Fund	Title III C-2 - Home Delivered Meals Fund	Rural Transportation Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Intergovernmental:						
State of Louisiana:						
Governor's Office of Elderly Affairs	\$ 45,498	\$ 284,308	\$ 264,834	\$ -	\$ 326,889	\$ 921,529
Department of Transportation and Development	-	-	-	333,129	-	333,129
Terrebonne Parish Consolidated Government	4,700,000	-	-	-	136,381	4,836,381
TCOA Elderly Housing, Inc	85,367	-	-	-	-	85,367
Charges for services	-	-	-	8,869	16,627	25,496
Interest income	27,448	-	-	-	-	27,448
Public support: contributions	5,630	5,092	51,636	-	28,499	90,857
Miscellaneous:						
Program income	-	-	2,000	-	20,683	22,683
Other	21,157	-	572	-	-	21,729
Total revenues	<u>4,885,100</u>	<u>289,400</u>	<u>319,042</u>	<u>341,998</u>	<u>529,079</u>	<u>6,364,619</u>
<b>Expenditures</b>						
Current:						
Health and welfare:						
Salaries	306,881	470,721	701,375	374,829	556,107	2,409,913
Fringe	74,827	144,045	174,076	89,977	150,603	633,528
Travel	9,430	7,715	1,501	565	2,501	21,712
Operating services	572,290	103,140	413,381	214,008	315,664	1,618,483
Operating supplies	35,421	11,022	144,537	88,858	129,825	409,663
Other costs	44,990	462,432	-	-	193,563	700,985
Meals	-	-	356,728	-	115,048	471,776
Capital outlay	120,436	-	-	-	-	120,436
Total expenditures	<u>1,164,275</u>	<u>1,199,075</u>	<u>1,791,598</u>	<u>768,237</u>	<u>1,463,311</u>	<u>6,386,496</u>
Excess (deficiency) of revenues over expenditures	<u>3,720,825</u>	<u>(909,675)</u>	<u>(1,472,556)</u>	<u>(426,239)</u>	<u>(934,232)</u>	<u>(21,877)</u>
<b>Other Financing Sources (Uses)</b>						
Insurance proceeds	11,865	-	-	-	-	11,865
Operating transfers in	-	909,675	1,472,556	426,239	941,419	3,749,889
Operating transfers out	<u>(3,749,889)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,749,889)</u>
Total other financing sources (uses)	<u>(3,738,024)</u>	<u>909,675</u>	<u>1,472,556</u>	<u>426,239</u>	<u>941,419</u>	<u>11,865</u>
<b>Special Items</b>						
Participation in Houma School Apartments, LLC	<u>(5,179,875)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,179,875)</u>
<b>Net Change in Fund Balances</b>	(5,197,074)	-	-	-	7,187	(5,189,887)
<b>Fund Balances</b>						
Beginning of year	<u>21,075,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,305</u>	<u>21,131,869</u>
End of year	<u>\$ 15,878,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,492</u>	<u>\$ 15,941,982</u>

See notes to financial statements

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

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

**Net Change in Fund Balances - Total Governmental Funds** **\$ (5,189,887)**

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:

Capital outlay	\$ 120,436	
Depreciation expense	<u>(400,383)</u>	(279,947)

Governmental funds report significant payments which are unusual or infrequent and within the control of the Council as special items.

Payments for the Houma School Apartments are a special item, however, the payments are recognized as other long-term assets in the Statement of Net Position.

5,179,875

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

Increase in postemployment obligations	(272,005)	
Decrease in compensated absences	<u>945</u>	<u>(271,060)</u>

**Change in Net Position of Governmental Activities** **\$ (561,019)**

See notes to financial statements.

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

June 30, 2017

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

The accounting and reporting policies of Terrebonne Council on Aging, Inc. (the Council) conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of certain significant accounting policies:

**a) Purpose of the Council on Aging**

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

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

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

**b) Reporting Entity**

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

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

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

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

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

**b) Reporting Entity (continued)**

5. Financial benefit/burden relationship between the Council and the potential component unit.

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

It has also been determined based upon the above criteria that the Council is a component unit of the Terrebonne Parish Consolidated Government (the Parish) and will be included in its comprehensive financial report for the year ending December 31, 2017.

**c) Basis of Presentation**

The Council's basic financial statements consist of the government-wide statements on all activities of the Council and its component unit and the governmental fund financial statements (individual major funds and combined non-major funds).

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

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

**Government-wide Financial Statements:**

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

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

c) Basis of Presentation (continued)

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

Fund Financial Statements:

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

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

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

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

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

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

**c) Basis of Presentation (continued)**

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

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

The following programs comprise the Council's General Fund:

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

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

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

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

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

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

c) **Basis of Presentation** (continued)

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

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

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

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

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

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

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

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

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

**c) Basis of Presentation (continued)**

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

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

**Non-Emergency Medical Transportation Fund** - Monies are received from the Department of Health and Hospitals for Medicaid of Louisiana programs for non-emergency medical transportation. Monies are received based on per trip billing.

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

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

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

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

**d) Component Unit Disclosure**

The component unit column and rows in the government-wide Statement of Net Position and Statement of Activities include the financial data of the Council's component unit for their fiscal year end of December 31, 2016. It is reported in a separate column to emphasize that it is legally separate from the Council. TCOA Elderly Housing, Inc. (the Corporation) is a subsidiary of the Council. Board members for the Corporation are elected by the general membership of the Corporation. The Corporation's purpose is the construction and management of housing facilities to serve the elderly and elderly handicapped. As of June 30, 2017, the Council has advanced \$353,620 to the Corporation for which it anticipates reimbursement from future funds.

**e) Measurement Focus and Basis of Accounting**

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

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund Financial Statements:**

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

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

**e) Measurement Focus and Basis of Accounting (Continued)**

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

**f) Use of Estimates**

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

**g) Accounts Receivable**

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

**h) Cash and Investments**

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

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

**i) Capital Assets**

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

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$1,000 or more are valued at historical cost or estimated historical cost if actual cost is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. Assets with estimated fair value amounted to \$14,000 as of June 30, 2017. Additions, improvements and other capital outlays that significantly extend the

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

**i) Capital Assets (continued)**

useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

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

**Fund Financial Statements:**

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

**j) Non-Current Liabilities**

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

**Government-wide Financial Statements:**

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

**Fund Financial Statements:**

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

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

**k) Accumulated Vacation, Compensatory Time and Sick Leave**

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

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

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

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

**l) Income Taxes**

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

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosures of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. Tax years ended June 30, 2014 and later remain subject to examination by the taxing authorities. As of June 30, 2017 management of the Council believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

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

**m) Interfund Transactions**

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be paid. For reporting purposes, all interfund transactions between individual governmental funds have been eliminated in the government-wide financial statements.

**n) Related Party Transactions**

There were no related party transactions during the fiscal year.

**o) Allocation of Indirect Expenses**

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

**p) Equity**

**Government-wide Statements:**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. At June 30, 2016 the Council did not report any borrowings.
- b. Restricted net position – Consists of assets and deferred outflows of resources less liabilities and deferred inflow of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

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

**p) Equity (continued)**

- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

**Component unit restricted net position**

The component unit received a \$4,082,400 capital advance from HUD for the construction of a multifamily residual housing facility. The construction of the facility along with the cost of land improvements was capitalized as a fixed asset and therefore the temporary restriction is lifted as the building and land improvements depreciate over its useful life. As of December 31, 2016, \$729,930 of total cost has been depreciated and therefore is included in unrestricted net assets.

**Fund Financial Statements:**

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures, receivables anticipated to be collected after 1 year and deposits as being nonspendable as these items are not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
  - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
  - Imposed by law through constitutional provisions or enabling legislation.

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

**p) Equity (continued)**

As of June 30, 2017, the Council has classified \$17,709 as restricted fund balance due to the constraints placed on the use of the money by donors.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council has committed \$2,917,570 of funds for disaster assistance as of June 30, 2017.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds other than the General Fund, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes. The Council's management assigned funds for the purposes of retiree health insurance, subsequent year's expenditures (budget deficit), compensated absences, utility assistance, fundraising, gift program and various special purposes, at June 30, 2017 in the amounts of \$2,593,382, \$1,763,196, \$305,038, \$2,243, \$31,114, \$34,990 and \$57,079, respectively.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

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

**q) New GASB Statements**

During the year ending June 30, 2017, the Council implemented the following GASB Statements:

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans other than Pension Plans.*" The Statement addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria and follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments and also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement did not affect the Council's financial statements.

Statement No. 77, "*Tax Abatement Disclosures*" defines tax abatements as reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. This Statement requires disclosures of the government's own tax abatement agreements and those tax abatement agreements of other governments that reduce the government's revenue. This Statement did not affect the Council's financial statements.

Statement No. 78, "*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*" amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above. This Statement did not affect the Council's financial statements.

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

**q) New GASB Statements (continued)**

Statement No. 79, "*Certain External Investment Pools and Pool Participants*" establishes accounting and financial reporting standards for qualifying external investment pools that elect to measure for financial reporting purposes all of their investments at amortized cost. This Statement also establishes accounting and financial reporting standards for state and local governments that participate in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost. This Statement did not affect the Council's financial statements.

Statement No. 80, "*Blending Requirement for Certain Component Units*" improves financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This requirement enhances comparability and decision usefulness of financial statements among governments. This Statement did not affect the Council's financial statements.

Statement No. 82, "*Pension Issues*" addresses several issues raised with respect to Statements No. 67, "*Financial Reporting for Pension Plans*," No. 68, "*Accounting and Financial Reporting for Pensions*," and No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*." Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement did not affect the Council's financial statements.

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

Statement No. 75, "*Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*," replaces the requirements of GASB Statement No. 45. This Statement requires governments to report a liability on the face of the financial statements for the OPEB that they provide: governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified

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

**q) New GASB Statements (continued)**

criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan and governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 81, "*Irrevocable Split Interest Agreements*" provided recognition and measurement guidance for situation in which a government is a beneficiary of an irrevocable split interest agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split interest agreement recognize assets, liabilities and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in agreements administered by third parties. Governments are required by this Statement to recognize revenue when the resources become applicable to the reporting period. This Statement enhances comparability and decision usefulness of financial statements among governments. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2016. Management has not yet determined the effect of this statement on the financial statements.

Statement No. 83, "*Certain Asset Retirement Obligations*" addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 84, "*Fiduciary Activities*" improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists.

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

**q) New GASB Statements (continued)**

Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 85, "*Omnibus 2017*." On March 20, 2017, GASB issued "*Omnibus 2017*" covering four main topics: blending component units; goodwill, fair value measurement and application; and postemployment benefits. "*Omnibus 2017*" is effective for fiscal years beginning after June 15, 2017. However, due to the nature of topic covered, GASB is allowing the option of early implementation for single topics. Management has not yet determined the effect of this Statement on the financial statements.

Statement No. 86, "*Certain Debt Extinguishment Issues*" improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged. Management has not yet determined the effect of this Statement on the financial statements.

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

**Note 2 - Funding Policies**

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

The Council receives grants from the Parish from a 7.50 mill parish-wide ad valorem tax for the purpose of operating and maintaining programs for elderly and disabled people of Terrebonne Parish. Funding from the Parish is included in intergovernmental revenue and amounted to \$4,700,000 during the year ended June 30, 2017. The funding from the Parish is subject to the terms of a cooperative endeavor agreement, (CEA), dated May 19, 2016, which allocated the tax proceeds to the Council pursuant to approval of the Council’s budget by the Parish council. The CEA term is for three years from execution.

**Note 3 - DEPOSITS AND INVESTMENTS**

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

**Bank Deposits:**

The Council is a quasi-governmental entity which is not required to comply with Louisiana laws relating to collateralization of cash and investments. As a matter of policy, the Council however, obtains collateralization for cash at financial institutions which is in excess of the FDIC insurance. Acceptable collateralization includes FDIC insurance, securities purchased and pledged to the political subdivision and letters of credit with the Federal Home Loan Bank pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or with a trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

	Bank Balances	Reported Amount
Cash	\$ 15,089,400	\$ 14,914,111
Certificates of Deposit	721,995	721,995
Totals	\$ 15,811,395	\$ 15,636,106

**Note 3 - DEPOSITS AND INVESTMENTS (Continued)**

Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. The Council has a written policy for custodial credit risk. As of June 30, 2017, \$14,796,627 of the Council's bank balance of \$15,811,395 was exposed to custodial credit risk. These deposits were uninsured and collateralized with letters of credit held by the federal home loan bank and are deemed to be held in the Council's name by state statutes.

At June 30, 2017, cash and certificates of deposits were adequately collateralized in accordance with the Council's policy, similar to state law. The Governmental Accounting Standards Board (GASB), which promulgates the standards for accounting and financial reporting for state and local governments, considers these securities subject to custodial credit risk. Even though the deposits are considered subject to custodial credit risk under the provisions of GASB Statement No. 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to draw down upon the pledged securities Letters of Credit or sell the pledged securities within 10 days of being notified by the depositor that the fiscal agent has failed to pay deposited funds upon demand.

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

Cash on hand	\$ 2,700
Reported amount of deposits	<u>15,636,106</u>
 Total	 <u><u>\$ 15,638,806</u></u>
 Classified as:	
Cash	\$ 14,916,811
Investments	<u>721,995</u>
 Total	 <u><u>\$ 15,638,806</u></u>

**Component Unit Cash and Investments**

At December 31, 2016 the balance of deposits and the certificate of deposit, reported as an investment, in the bank was fully insured by the FDIC's Transaction Account Guaranty Program.

**Note 4 - CONTRACTS RECEIVABLE**

Contracts receivable at June 30, 2017 consisted of reimbursements for expenditures incurred under the following programs:

State of Louisiana -	
Department of Health and Hospitals -	
Non-Emergency Medical Transportation Program	\$ 409
Medicare Improvement for Patients and Providers Act	2,400
Department of Transportation and Development	
Enhanced Mobility of Seniors and Individuals with Disabilities Small Urban	2,981
Terrebonne Parish Consolidated Government –	
Rural Transportation Program	85,369
Nursing Homes – Transportation Programs	2,980
Total	<u>\$ 94,139</u>

**Note 5 - ADVANCE TO COMPONENT UNIT**

The Council advanced TCOA Elderly Housing, Inc. startup funds for design, construction of the housing project operated by the component unit. The advance does not bear interest, is unsecured and is not anticipated to be collected during the next fiscal year. As of June 30, 2017, the balance of advanced funds were \$353,620. During the year ended June 30, 2017, the Council made advances totaling \$60,367. Repayments of \$200,000 were received within the year.

**Note 6 - RESTRICTED DEPOSITS**

The component unit is required to set aside amounts for the replacement of property and other project expenditures approved by HUD. HUD-restricted deposits are held in separate accounts and generally are not available for operating purposes. As of December 31, 2016 the component unit had \$198,817 deposited in the separate accounts.

**Note 7 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2017 was as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 723,889	\$ -	\$ -	\$ 723,889
Capital assets being depreciated:				
Intangible assets	10,500	-	-	10,500
Buildings and leasehold improvements	7,274,466	27,233	(2,881)	7,298,818
Office furniture, fixtures and equipment	492,566	28,432	(32,215)	488,783
Vehicles, machinery and equipment	1,986,344	64,771	(241,247)	1,809,868
Total capital assets being depreciated	<u>9,763,876</u>	<u>120,436</u>	<u>(276,343)</u>	<u>9,607,969</u>
Less accumulated depreciation for:				
Intangible assets	(5,250)	(3,500)	-	(8,750)
Building and leasehold improvements	(1,535,126)	(224,732)	2,881	(1,756,977)
Office furniture, fixtures and equipment	(390,595)	(28,171)	32,215	(386,551)
Vehicles, machinery and equipment	(1,439,654)	(143,980)	241,247	(1,342,387)
Total accumulated depreciation	<u>(3,370,625)</u>	<u>(400,383)</u>	<u>276,343</u>	<u>(3,494,665)</u>
Total capital assets being depreciated, net	<u>6,393,251</u>	<u>(279,947)</u>	<u>-</u>	<u>6,113,304</u>
Total capital assets, net	<u>\$ 7,117,140</u>	<u>\$ (279,947)</u>	<u>\$ -</u>	<u>\$ 6,837,193</u>

Effective July 1, 2016 the Council reclassified \$320,125 of construction in process for the Houma School Apartments to other long-term assets.

Depreciation was charged to governmental activities as follows:

Administration	\$ 260,226
Nutrition Services:	
Congregate Meals	69,898
Home Delivered Meals	6,803
Supportive Services:	
Transportation	11,242
Recreation	26,962
Wellness	15,552
Material Aid	7,127
Other	<u>2,573</u>
Total	<u>\$ 400,383</u>

**Note 7 - CHANGES IN CAPITAL ASSETS (Continued)**

**Component Unit Capital Assets**

The component unit's capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions/ Disposals	Ending Balance
Land	\$ 1,300,000	\$ -	\$ 1,300,000
Land improvements	934,587	-	934,587
Building	4,391,913	-	4,391,913
Furniture and equipment	22,957	-	22,957
Total	6,649,457	-	6,649,457
Accumulated depreciation	(812,661)	(145,828)	(958,489)
Net book value	<u>\$ 5,836,796</u>	<u>\$ (145,828)</u>	<u>\$ 5,690,968</u>

**Note 8 - Other Long-Term Assets**

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

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

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

**Note 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures at June 30, 2017 consisted of the following:

	Vendors	Salaries and Benefits	Total Payables
Governmental activities:			
General Fund	\$ 51,957	\$ 34,803	\$ 86,760
Title III B-Supportive Services Fund	37,244	15,757	53,001
Title III C-2- Home Delivered Meals Fund	27,677	24,770	52,447
Rural Transportation Fund	2,250	14,544	16,794
Non-major Funds	11,682	22,069	33,751
Total accounts payable and accrued expenditures	\$ 130,810	\$ 111,943	\$ 242,753

**Component Unit's Accounts Payable**

The component unit's accounts payable consists of money owed to the Council and tenants' deposits as of December 31, 2016.

**Note 10 - DUE TO/FROM OTHER FUNDS**

Due to/from other funds are listed by fund for the year ended June 30, 2017:

	Receivable	Payable
General Fund:		
Title III B-Supportive Services Fund	\$ -	\$ 46,947
Title III C- Home Delivered Meals Fund	-	43,815
Rural Transportation Fund	73,369	-
Non-Major Funds	2,879	83,174
Totals	76,248	173,936
 Title III B-Supportive Services Fund:		
General Fund	46,947	-
 Title III C- Home Delivered Meals Fund:		
General Fund	43,815	-
 Rural Transportation Fund:		
General Fund	-	73,369
 Non-Major Funds:		
General Fund	83,174	2,879
Grand Totals	\$ 250,184	\$ 250,184

**Note 10 - DUE TO/FROM OTHER FUNDS (Continued)**

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

**Note 11 - LONG-TERM OBLIGATIONS**

Long-term obligations consist of accumulated unpaid vacation and other postemployment benefit obligations. The following is a summary of the changes in long-term obligations of the Council for the year ended June 30, 2017:

	Payable July 1, 2016	Obligations		Payable June 30, 2017
		Retired	Generated	
Compensated absences	\$ 268,768	\$ (945)	\$ -	\$ 267,823
Other postemployment obligations	407,582	-	272,005	679,587
	\$ 676,350	\$ (945)	\$ 272,005	\$ 947,410

Compensated absences are described in Note 1k.

Other postemployment obligations are described in Note 14.

**Note 12 - INTERFUND TRANSFERS**

Operating transfers in and out are listed by fund for the year ended June 30, 2017:

	Operating Transfers	
	In	Out
General Fund:		
Title III B-Supportive Services Fund		\$ 909,675
Title III C-Home Delivered Meals Fund		1,472,556
Rural Transportation Fund		426,239
Non-major Funds		941,419
Totals		3,749,889
Title III B-Supportive Services Fund:		
General Fund	\$ 909,675	
Title III C-Home Delivered Meals Fund:		
General Fund	1,472,556	
Rural Transportation Fund:		
General Fund	426,239	
Non-major Funds:		
General Fund	941,419	
Grand Totals	\$ 3,749,889	\$ 3,749,889

**Note 12 - INTERFUND TRANSFERS (Continued)**

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

**Note 13 - RISK MANAGEMENT**

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

The Parish is self-insured for the first \$175,000 of each claim relating to group health insurance. The aggregate deductible for all group claims related to group health insurance for the year ended December 31, 2016 was \$19,880,318. The Parish is covered under an insurance contract for the excess liability on individual claims. There is no lifetime maximum claims limit for covered employees. Coverage for group health claims in excess of the above limits are to be funded first by assets of the Parish's group health internal service fund, \$238,436 at December 31, 2016, then secondly by the Council. Workers' compensation claims in excess of \$550,000 are covered under an insurance contract for claims aggregate up to limits are to be funded first by assets of the Parish's workers' compensation internal service fund. At June 30, 2017 the Council had no claims in excess of the coverage limits. For the year ended June 30, 2017, total premiums paid to The Parish for group health insurance amounted to \$469,409 and \$135,078 for workers' compensation.

**Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

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

**Plan Description**

The Council administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their spouses as approved by the Board of Directors. Employees hired before January 1, 2013 shall be eligible to participate in the plan approved by the Board of Directors under the following vesting schedule: 1 to 16 years

**Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

of service, 60.25% of total employee premium; 17 to 20 years of service, 60.25% plus 4.00% per year; 21 to 25 years or more of service, 76.25% plus 4.75% per year after year 20, after 25 years, 100%. For all employees hired after December 31, 2012, the plan shall be available to eligible retiring employees with a minimum of thirty years of full time service and who are at fifty nine and a half years of age at retirement. In addition to the years of service requirements, employees must have participated in the group insurance coverage for a minimum of five continuous years immediately prior to retirement.

**Funding Policy**

The Council fully funds required premiums based on pay-as-you-go financing requirements. For the year ended June 30, 2017 the Council didn't have any retirees participating in the plan; therefore the Council didn't pay any retiree premiums.

**Annual OPEB Cost and Net OPEB Obligation**

The Council's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The table below shows the components of the Council's annual OPEB cost for the year, the premiums actually paid and changes in the Council's net OPEB asset.

Annual required contribution (ARC)	\$	282,660
Interest adjustment to net OPEB obligation		14,140
Adjustments to ARC		<u>(24,795)</u>
Annual OPEB cost (expense)		272,005
Contributions made		<u>-</u>
Increase in Net OPEB obligation		272,005
Net OPEB obligation - beginning of year		<u>407,582</u>
Net OPEB obligation - end of year	\$	<u><u>679,587</u></u>

The Council's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB liability as of June 30, 2017 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Liability
6/30/16	\$ 203,790	0.00%	\$ 407,582
6/30/17	272,005	0.00%	679,587

**Note 14 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Funded Status and Funding Progress**

As of July 1, 2016, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$2,593,382. Covered payroll for eligible employees was \$1,845,871 and the total UAAL represents 140.5 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

In the July 1, 2016 actuarial valuations, the entry age-normal actuarial cost method was used. The actuarial assumptions included a 3.5 percent investment rate of return (discount rate), a 3.0 percent expected increase in administrative costs and annual medical cost trend rate of 7.0 percent initially, reduced by decrements of 0.5 percent to an ultimate rate of 5.0 percent after five years. The annual dental cost trend was initially 3.5 percent, reduced by decrements of 0.25 percent to an ultimate rate of 3.0 percent after two years. Zero trends were assumed for valuing life insurance. Other assumptions include (1) expenses per participant per month are expected to increase with inflation at 3.0 percent per annum, (2) 60 percent of employees will choose to continue benefits, (3) family coverage includes a spouse and no children, and (4) male spouses are two years older than females. The UAAL is being amortized over an open 30 year period. The remaining amortization period at July 1, 2016 was 30 years.

**Note 15 - THRIFT PLAN**

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

**Note 15 - THRIFT PLAN (Continued)**

Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Council's Board of Directors. Under this plan participating employees are permitted to make elective deferrals in amounts that are within the limits of Code Sections 403(b) and 402(g) of their compensation and the Council will match 20% of the amount contributed not to exceed 7%, of the employee's compensation after 2 years of service. An additional 20% of the amount contributed will be added per year thereafter until the match reaches 100% after 6 years. For the year ended June 30, 2017 employee contributions totaled \$150,095 and the Council recognized an expense of \$103,718.

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

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

Non-vested contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses. For the year ended June 30, 2017, forfeitures reduced the Council's expense by \$2,244.

**Note 16 - IRC SECTION 125 CAFETERIA PLAN**

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

**Note 17 - IN-KIND CONTRIBUTIONS**

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

- Congregate meal sites
- Volunteer services
- Volunteers' vehicle and travel

**Note 17 - IN-KIND CONTRIBUTIONS (Continued)**

- Building usage for the old main office, Bayou Towers, Neal Ransonet, Shady Oak, and Bonne Terre Village Senior Centers
- Operating supplies and services
- Material aide

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

**Note 18 - JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES**

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

**Note 19 - BOARD OF DIRECTORS**

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

**Note 20 - CONTINGENCIES**

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

**Component Unit's Contingencies**

On July 17, 2008, the component unit signed an agreement with Terrebonne Parish Consolidated Government to receive a deferred loan in the amount of \$300,000. These funds were used to provide a driveway, parking lot, and infrastructure for utilities, sewer, water, and drainage that will supplement the new construction of a fifty unit elderly housing complex. According to the agreement, the component unit will make no

**Note 20 - CONTINGENCIES (Continued)**

payment of principal or interest as long as it agrees to occupy the property as an elderly housing facility for a term of twenty years and remain in compliance with its agreement with Terrebonne Parish Consolidated Government.

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

**Note 21 - SUBSEQUENT EVENTS**

Management evaluates events occurring subsequent to the date of financial statements in determining the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through November 16, 2017, which is the date the financial statements were available to be issued.

**GASB REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 6,097,684	\$ 8,240,522	\$ 4,830,865	\$ (3,409,657)
Interest income	33,882	28,000	27,448	(552)
Public support	10,100	7,400	5,630	(1,770)
Miscellaneous	121,591	122,474	21,157	(101,317)
Total revenues	<u>6,263,257</u>	<u>8,398,396</u>	<u>4,885,100</u>	<u>(3,513,296)</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	469,034	316,924	306,881	10,043
Fringe	123,067	89,592	74,827	14,765
Travel	7,344	15,165	9,430	5,735
Operating services	377,518	319,313	572,290	(252,977)
Operating supplies	438,728	205,810	35,421	170,389
Other costs	534,722	411,642	44,990	366,652
Capital outlay	3,714,690	7,308,314	120,436	7,187,878
Total expenditures	<u>5,665,103</u>	<u>8,666,760</u>	<u>1,164,275</u>	<u>7,502,485</u>
Excess (deficiency) of revenues over expenditures	<u>598,154</u>	<u>(268,364)</u>	<u>3,720,825</u>	<u>3,989,189</u>
<b>Other Financing Sources (Uses)</b>				
Insurance proceeds	-	3,833	11,865	8,032
Operating transfers in	2,007	9,000	-	(9,000)
Operating transfers out	(5,487,923)	(5,478,379)	(3,749,889)	1,728,490
Total other financing sources (uses)	<u>(5,485,916)</u>	<u>(5,465,546)</u>	<u>(3,738,024)</u>	<u>1,727,522</u>
<b>Special Items</b>				
Participation in Houma School Apartments, LLC	-	-	5,179,875	(5,179,875)
<b>Net Change in Fund Balance</b>	<u>(4,887,762)</u>	<u>(5,733,910)</u>	<u>(5,197,074)</u>	<u>\$ 536,836</u>
<b>Fund Balance</b>				
Beginning of year	<u>15,259,791</u>	<u>27,892,784</u>	<u>21,075,564</u>	
End of year	<u>\$ 10,372,029</u>	<u>\$ 22,158,874</u>	<u>\$ 15,878,490</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III B - SUPPORTIVE SERVICES FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 284,308	\$ 284,308	\$ 284,308	\$ -
Public support	9,800	3,570	5,092	1,522
Miscellaneous	1,114	-	-	-
Total revenues	<u>295,222</u>	<u>287,878</u>	<u>289,400</u>	<u>1,522</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	747,288	527,011	470,721	56,290
Fringe benefits	195,318	149,300	144,045	5,255
Travel	9,265	8,105	7,715	390
Operating services	224,979	134,858	103,140	31,718
Operating supplies	42,779	18,811	11,022	7,789
Other costs	631,363	631,363	462,432	168,931
Total expenditures	<u>1,850,992</u>	<u>1,469,448</u>	<u>1,199,075</u>	<u>270,373</u>
Deficiency of revenues over expenditures	(1,555,770)	(1,181,570)	(909,675)	271,895
<b>Other Financing Sources</b>				
Operating transfers in	1,555,770	1,181,570	909,675	(271,895)
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**TITLE III C-2 - HOME DELIVERED MEALS FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 264,834	\$ 264,834	\$ 264,834	\$ -
Public support	51,916	61,900	51,636	(10,264)
Miscellaneous	-	2,650	2,572	(78)
Total revenues	<u>316,750</u>	<u>329,384</u>	<u>319,042</u>	<u>(10,342)</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	1,014,300	853,407	701,375	152,032
Fringe benefits	266,011	241,238	174,076	67,162
Travel	7,326	2,518	1,501	1,017
Operating services	711,006	534,771	413,381	121,390
Operating supplies	352,104	219,647	144,537	75,110
Meals	612,500	525,000	356,728	168,272
Total expenditures	<u>2,963,247</u>	<u>2,376,581</u>	<u>1,791,598</u>	<u>584,983</u>
Deficiency of revenues over expenditures	(2,646,497)	(2,047,197)	(1,472,556)	574,641
<b>Other Financing Sources</b>				
Operating transfers in	<u>2,646,497</u>	<u>2,047,197</u>	<u>1,472,556</u>	<u>(574,641)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE**  
**RURAL TRANSPORTATION FUND**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 307,217	\$ 333,129	\$ 333,129	\$ -
Charges for services	7,190	20,000	8,869	(11,131)
Total revenues	<u>314,407</u>	<u>353,129</u>	<u>341,998</u>	<u>(11,131)</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	259,623	458,033	374,829	83,204
Fringe benefits	68,035	129,658	89,977	39,681
Travel	1,436	519	565	(46)
Operating services	243,333	244,207	214,008	30,199
Operating supplies	106,544	87,256	88,858	(1,602)
Total expenditures	<u>678,971</u>	<u>919,673</u>	<u>768,237</u>	<u>151,436</u>
Deficiency of revenues over expenditures	(364,564)	(566,544)	(426,239)	140,305
<b>Other Financing Sources</b>				
Operating transfers in	<u>364,564</u>	<u>566,544</u>	<u>426,239</u>	<u>(140,305)</u>
<b>Net Change in Fund Balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>Fund Balance</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

See note to required supplementary information.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

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

- GOEA notifies the Council each year as to the funding levels for each program's award.
- The Council may also obtain funds from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.
- The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the year.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the GOEA for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
(continued)

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council has established policies requiring public participation in the budget process.
- The budget for special revenue funds is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- The budget for General Fund is prepared on a basis in conformity with accounting principles generally accepted in the United States of America.

**SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>Percentage of Covered Payroll ((b-a)/c)</u>
7/1/2014	-	1,756,962	1,756,962	-	1,588,260	110.6%
7/1/2016	-	2,593,382	2,593,382	-	1,845,872	140.5%

**SUPPLEMENTARY INFORMATION SECTION**

**BALANCE SHEET - GOVERNMENTAL FUND -**  
**GENERAL FUND PROGRAMS**

**Terrebonne Council on Aging, Inc.**

June 30, 2017

	<u>Programs of the General Fund</u>		
	<u>Ad Valorem</u> <u>Tax Monies</u>	<u>Act 735</u> <u>Monies</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 14,916,811		\$ 14,916,811
Investments	721,995		721,995
Other receivables	14,869		14,869
Due from other funds	76,248		76,248
Other current assets	55,643		55,643
Advances to component unit	353,620		353,620
	<hr/>		<hr/>
Total assets	<u>\$ 16,139,186</u>	<u>\$ -</u>	<u>\$ 16,139,186</u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 86,760		\$ 86,760
Due to other funds	173,936		173,936
	<hr/>		<hr/>
Total liabilities	<u>260,696</u>		<u>260,696</u>
<b>Fund Balance</b>			
Nonspendable:			
Deposits and prepaid expenditures	55,643		55,643
Advances to component unit	353,620		353,620
Restricted for home energy assistance	928		928
Committed			
Disaster relief	2,917,570		2,917,570
Assigned			
Retiree health insurance	2,593,382		2,593,382
Subsequent year's expenditures	1,763,196		1,763,196
Compensated absences	305,038		305,038
Revenue projects	78,815		78,815
Unassigned	7,810,298		7,810,298
	<hr/>		<hr/>
Total fund balance	<u>15,878,490</u>		<u>15,878,490</u>
	<hr/>		<hr/>
Total liabilities and fund balance	<u>\$ 16,139,186</u>	<u>\$ -</u>	<u>\$ 16,139,186</u>

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

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	General Fund Programs		
	Ad Valorem Tax Monies	Act 735 Monies	Total
<b>Revenues</b>			
Intergovernmental:			
State of Louisiana:			
Office of Elderly Affairs - Act 735		\$ 45,498	\$ 45,498
Terrebonne Parish Consolidated Government	\$ 4,700,000	-	4,700,000
TCOA Elderly Housing, Inc.	85,367	-	85,367
Interest income	27,448	-	27,448
Public support:			
Contributions	5,630	-	5,630
Miscellaneous:			
Other	21,157	-	21,157
	<u>4,839,602</u>	<u>45,498</u>	<u>4,885,100</u>
Total revenues			
<b>Expenditures</b>			
Current:			
Health and welfare:			
Salaries	306,881	-	306,881
Fringe	74,827	-	74,827
Travel	9,430	-	9,430
Operating services	572,290	-	572,290
Operating supplies	35,421	-	35,421
Other costs	44,990	-	44,990
Capital outlay	120,436	-	120,436
	<u>1,164,275</u>	<u>-</u>	<u>1,164,275</u>
Total expenditures			
Excess of revenues over expenditures	<u>3,675,327</u>	<u>45,498</u>	<u>3,720,825</u>
<b>Other Financing Sources (Uses)</b>			
Insurance claims	11,865	-	11,865
Operating transfers out	(3,704,391)	(45,498)	(3,749,889)
	<u>(3,692,526)</u>	<u>(45,498)</u>	<u>(3,738,024)</u>
<b>Special Items</b>			
Participation in Houma School Apartments, LLC	(5,179,875)	-	(5,179,875)
<b>Net Change in Fund Balance</b>	<u>(5,197,074)</u>	<u>-</u>	<u>(5,197,074)</u>
<b>Fund Balance</b>			
Beginning of year	21,075,564	-	21,075,564
End of year	<u>\$ 15,878,490</u>	<u>\$ -</u>	<u>\$ 15,878,490</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2017

	Special Revenue Funds			
	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund
<b>Assets</b>				
Contracts receivable	\$ -	\$ -	\$ -	\$ -
Other receivables	-	1,793	88	206
Due from other funds	798	9,257	666	406
Total assets	<u>\$ 798</u>	<u>\$ 11,050</u>	<u>\$ 754</u>	<u>\$ 612</u>
<b>Liabilities</b>				
Accounts payable and accrued expenditures	\$ 798	\$ 11,050	\$ 754	\$ 612
Due to other funds	-	-	-	-
Total liabilities	<u>798</u>	<u>11,050</u>	<u>754</u>	<u>612</u>
<b>Fund Balances</b>				
Restricted for:				
Donor purposes	-	-	-	-
Assigned for:				
Utility assistance	-	-	-	-
Special revenue purposes	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 798</u>	<u>\$ 11,050</u>	<u>\$ 754</u>	<u>\$ 612</u>

Special Revenue Funds

Helping Hands Fund	No Wrong Door Service	Transportation Fund	Enhanced Mobility - Small Urban
\$ -	\$ -	\$ 2,980	\$ 2,981
-	-	97	2,674
<u>2,243</u>	<u>7,301</u>	<u>821</u>	<u>5,902</u>
<u>\$ 2,243</u>	<u>\$ 7,301</u>	<u>\$ 3,898</u>	<u>11,557</u>
\$ -	-	\$ 2,878	\$ 11,557
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	2,878	11,557
-	-	-	-
2,243	-	-	-
<u>-</u>	<u>7,301</u>	<u>1,020</u>	<u>-</u>
<u>2,243</u>	<u>7,301</u>	<u>1,020</u>	<u>-</u>
<u>\$ 2,243</u>	<u>\$ 7,301</u>	<u>\$ 3,898</u>	<u>\$ 11,557</u>

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**Terrebonne Council on Aging, Inc.**

June 30, 2017

	Special Revenue Funds		
	Senior RX Fund	Special Fund	Non-Emergency Medical Transportation Fund
<b>Assets</b>			
Contracts receivable	\$ -	\$ -	\$ 409
Other receivables	988	2,181	-
Due from other funds	1,487	42,267	-
Total assets	\$ 2,475	\$ 44,448	\$ 409
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 2,475	\$ 2,152	\$ -
Due to other funds	-	368	409
Total liabilities	2,475	2,520	409
<b>Fund Balances</b>			
Restricted for:			
Donor purposes	-	5,882	-
Assigned for:			
Utility assistance	-	-	-
Special revenue purposes	-	36,046	-
Total fund balances	-	41,928	-
Total liabilities and fund balances	\$ 2,475	\$ 44,448	\$ 409

<u>Special Revenue Funds</u>			
<u>Medicare Improvement for Patients and Providers Act</u>	<u>Schriever Senior Center Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
\$ 2,400	\$ -	\$ -	\$ 8,770
151	-	-	8,178
<u>-</u>	<u>101</u>	<u>11,925</u>	<u>83,174</u>
<u>\$ 2,551</u>	<u>\$ 101</u>	<u>\$ 11,925</u>	<u>\$ 100,122</u>
\$ 449	\$ -	\$ 1,026	\$ 33,751
<u>2,102</u>	<u>-</u>	<u>-</u>	<u>2,879</u>
<u>2,551</u>	<u>-</u>	<u>1,026</u>	<u>36,630</u>
-	-	10,899	16,781
-	-	-	2,243
<u>-</u>	<u>101</u>	<u>-</u>	<u>44,468</u>
<u>-</u>	<u>101</u>	<u>10,899</u>	<u>63,492</u>
<u>\$ 2,551</u>	<u>\$ 101</u>	<u>\$ 11,925</u>	<u>\$ 100,122</u>

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

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Special Revenue Funds			
	Title III C - Area Agency Administration Fund	Title III C-1 - Congregate Meals Fund	Title III D - Preventive Health Fund	Title III E - National Family Caregiver Program Fund
<b>Revenues</b>				
Intergovernmental:				
State of Louisiana:				
Governor's Office of Elderly Affairs	\$ 5,616	\$ 186,143	\$ 5,942	\$ 43,720
Terrebonne Parish Consolidated Government	-	-	-	-
Charges for services	-	-	87	-
Public support: contributions	-	14,031	-	47
Miscellaneous:				
Program income	-	157	-	-
Total revenues	<u>5,616</u>	<u>200,331</u>	<u>6,029</u>	<u>43,767</u>
<b>Expenditures</b>				
Current:				
Health and welfare:				
Salaries	2,780	176,789	-	19,091
Fringe benefits	715	59,529	-	5,571
Travel	17	866	-	240
Operating services	1,886	134,366	-	2,974
Operating supplies	218	33,689	-	285
Other costs	-	-	6,029	43,466
Meals	-	115,048	-	-
Total expenditures	<u>5,616</u>	<u>520,287</u>	<u>6,029</u>	<u>71,627</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(319,956)</u>	<u>-</u>	<u>(27,860)</u>
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	-	319,956	-	27,860
Operating transfers out	-	-	-	-
Total other financing sources	<u>-</u>	<u>319,956</u>	<u>-</u>	<u>27,860</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## Special Revenue Funds

Helping Hands Fund	No Wrong Door Service	Transportation Fund	Enhanced Mobility - Small Urban
\$ -	\$ -	\$ -	\$ -
1,381	-	-	135,000
-	-	16,540	-
732	-	-	-
-	101	-	-
<u>2,113</u>	<u>101</u>	<u>16,540</u>	<u>135,000</u>
-	-	9,373	225,123
-	-	2,320	51,457
-	-	21	348
-	-	3,353	146,133
-	-	453	70,130
144,068	-	-	-
-	-	-	-
<u>144,068</u>	<u>-</u>	<u>15,520</u>	<u>493,191</u>
<u>(141,955)</u>	<u>101</u>	<u>1,020</u>	<u>(358,191)</u>
141,818	-	-	358,191
-	-	-	-
<u>141,818</u>	<u>-</u>	<u>-</u>	<u>358,191</u>
(137)	101	1,020	-
<u>2,380</u>	<u>7,200</u>	<u>-</u>	<u>-</u>
<u>\$ 2,243</u>	<u>\$ 7,301</u>	<u>\$ 1,020</u>	<u>\$ -</u>

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

Schedule 4  
(Continued)

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Special Revenue Funds		
	Senior RX Fund	Special Fund	Non -Emergency Medical Transportation Fund
<b>Revenues</b>			
Intergovernmental:			
State of Louisiana:			
Governor's Office of Elderly Affairs	\$ 71,968	\$ -	\$ -
Terrebonne Parish Consolidated Government	-	-	-
Charges for services	-	-	-
Public support: contributions	-	13,689	-
Miscellaneous:			
Program income	-	20,425	-
Total revenues	71,968	34,114	-
<b>Expenditures</b>			
Current:			
Health and welfare:			
Salaries	72,744	39,549	-
Fringe benefits	21,469	6,843	-
Travel	956	33	-
Operating services	11,723	13,704	-
Operating supplies	4,956	19,975	-
Other costs	-	-	-
Meals	-	-	-
Total expenditures	111,848	80,104	-
Excess (deficiency) of revenues over expenditures	(39,880)	(45,990)	-
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	37,721	54,352	-
Operating transfers out	-	-	-
Total other financing sources	37,721	54,352	-
<b>Net Change in Fund Balances</b>	(2,159)	8,362	-
<b>Fund Balances</b>			
Beginning of year	2,159	33,566	-
End of year	\$ -	\$ 41,928	\$ -

Special Revenue Funds			
Medicare Improvement for Patients and Providers	Schriever Senior Center Fund	Capital Projects Fund	Total
\$ 13,500	\$ -	\$ -	\$ 326,889
-	-	-	136,381
-	-	-	16,627
-	-	-	28,499
-	-	-	20,683
<u>13,500</u>	<u>-</u>	<u>-</u>	<u>529,079</u>
10,658	-	-	556,107
2,699	-	-	150,603
20	-	-	2,501
1,525	-	-	315,664
119	-	-	129,825
-	-	-	193,563
-	-	-	115,048
<u>15,021</u>	<u>-</u>	<u>-</u>	<u>1,463,311</u>
<u>(1,521)</u>	<u>-</u>	<u>-</u>	<u>(934,232)</u>
1,521	-	-	941,419
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,521</u>	<u>-</u>	<u>-</u>	<u>941,419</u>
-	-	-	7,187
<u>-</u>	<u>101</u>	<u>10,899</u>	<u>56,305</u>
<u>\$ -</u>	<u>\$ 101</u>	<u>\$ 10,899</u>	<u>\$ 63,492</u>

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

**Terrebonne Council on Aging, Inc.**

June 30, 2017

**Agency Head Name:** Diana Edmonson

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 165,338
Benefits - insurance	6,278
Benefits - retirement	11,829
Benefits - other	-
Car allowance	6,000
Vehicle provided by government	-
Per diem	56
Reimbursements	187
Unvouchered expenses	2,911
Travel	-
Registration fees	3,140
Conference travel	101
Continuing professional education fees	-
Housing	-
Meals	-
	<hr/>
	<b>\$ 195,840</b>

**COMPARATIVE STATEMENT OF CAPITAL ASSETS**  
**AND CHANGES IN CAPITAL ASSETS**

**Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

	Balance July 1, 2016	Additions	Adjustments/ Deletions	Balance June 30, 2017
<b>Capital Assets, at Cost:</b>				
Land	\$ 723,889			\$ 723,889
Buildings and leasehold improvements	7,274,466	\$ 27,233	\$ (2,881)	7,298,818
Office furniture, fixtures and equipment	503,066	28,432	(32,215)	499,283
Vehicles, machinery and equipment	1,986,344	64,771	(241,247)	1,809,868
Total capital assets	<u>\$ 10,487,765</u>	<u>\$ 120,436</u>	<u>\$ (276,343)</u>	<u>\$ 10,331,858</u>
<b>Investment in Capital Assets:</b>				
Property acquired with funds from -				
General and Other Funds	\$ 5,372,897	\$ 120,436	\$ (276,343)	\$ 5,216,990
Capital Projects Fund	4,925,092	-	-	4,925,092
Title III C - 1 - Congregate Meals	2,502	-	-	2,502
Title III F - Disease Prevention and Health Promotion Services	1,800	-	-	1,800
Senior Citizens	161,513	-	-	161,513
Senior Rx	10,926	-	-	10,926
Disaster Assistance	13,035	-	-	13,035
Total investment in capital assets	<u>\$ 10,487,765</u>	<u>\$ 120,436</u>	<u>\$ (276,343)</u>	<u>\$ 10,331,858</u>

Note: The July 1, 2016 balances reflect the retroactive reclassification of \$320,125 of construction in progress on the Houma School Apartments. See Note 8 of the notes to the financial statements for detail of this reclassification.

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

For the years ended June 30, 2017 and 2016

(Unaudited)

	<u>Units</u>	
	<u>2017</u>	<u>2016</u>
<b>Title III B - Supportive Services Fund:</b>		
Information and Assistance	2,958	3,091
Personal Care	12,983	12,277
Outreach	739	643
Homemaker	15,890	13,945
Recreation	24,504	23,156
Transportation	43,569	39,492
Legal	130	115
Material Aid	35,800	29,111
Visiting	620	636
Telephone	2,101	2,535
Wellness	13,229	13,978
<b>Title III C-1 - Congregate Meals Fund:</b>		
Congregate Meals	42,803	43,799
<b>Title III C-2 - Home Delivered Meals Fund:</b>		
Home Delivered Meals	147,195	143,911
<b>Title III D - Preventive Health Fund:</b>		
Wellness	454	330
Med Management	233	344
<b>Title III E - National Family Caregiver Program Fund:</b>		
Information and Assistance	332	279
Caregiver Services	2,172	2,183
Material Aid	410	399
<b>Social Services Block Grant</b>		
Utility Assistance	968	942

**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Terrebonne Council on Aging, Inc. (the Primary Government), a component unit of the Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Primary Government's basic financial statements and have issued our report thereon dated November 16, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Primary Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Primary Government's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that are material weaknesses or, significant deficiencies. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined. We did identify a certain deficiency in internal control that we consider to be a significant deficiency, 2017-001.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Primary Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

### **Primary Government's Response to Findings**

The Primary Government's responses to the comments are described in the accompanying schedule of findings and questioned costs. We did not audit the Primary Government's response and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 16, 2017.

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

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

**Compliance**

We have audited the compliance of the Terrebonne Council on Aging, Inc., (the Primary Government) a component unit of Terrebonne Parish Consolidated Government, State of Louisiana with the types of compliance requirements described in the *U.S Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, that could have a direct and material effect on each of the Primary Government's major federal programs for the year ended June 30, 2017. The Primary Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the Primary Government's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Primary Government's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
November 16, 2017.

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

For the year ended June 30, 2017

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Year Ended	Program or Award Amount	Federal Revenue Recognized	Federal Expenditures
<b>Terrebonne Council on Aging, Inc.</b>					
<b>Department of Transportation:</b>					
Public Transportation Operating Assistance Program Enhanced Mobility for the Small-Urban Area	20.513	6/30/2017	\$ 135,000	\$ 135,000	\$ 135,000
<u>Pass-Through Program From:</u>					
<u>Louisiana Department of Transportation and Development</u>					
<u>Terrebonne Parish Consolidated Government:</u>					
Public Transportation Operating Assistance Program for the Non-urbanized Area	20.509	6/30/2017	333,129	333,129	333,129
Total Department of Transportation			<u>468,129</u>	<u>468,129</u>	<u>468,129</u>
<b>Department of Health and Human Services:</b>					
Administration on Aging:					
<u>Pass-Through Program From:</u>					
<u>Louisiana Governor's Office of Elderly Affairs:</u>					
Aging Cluster:					
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/2017	92,971	92,971	92,971
Title III, Part C - Nutrition Services (Area Agency Administration)	93.045	6/30/2017	4,732	4,212	4,212
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/2017	101,692	101,692	101,692
Title III, Part C-2 - Nutrition Services (Home Delivered Meals)	93.045	6/30/2017	<u>94,834</u>	<u>94,834</u>	<u>94,834</u>
Subtotal CFDA #93.045			<u>201,258</u>	<u>200,738</u>	<u>200,738</u>
Nutrition Services Incentive Program	93.053	6/30/2017	140,522	140,522	140,522
Total Aging Cluster			<u>434,751</u>	<u>434,231</u>	<u>434,231</u>
Special Programs for the Aging:					
Title III, Part D - Preventive Health Services	93.043	6/30/2017	5,942	5,942	5,942
Title III, Part E - National Family Caregiver Program	93.052	6/30/2017	32,790	32,790	32,790
Affordable Care Act, Medicare Improvements for Patients and Providers	93.518	6/30/2017	13,500	13,500	13,500
Total Department of Health and Human Services			<u>486,983</u>	<u>486,463</u>	<u>486,463</u>
Total Terrebonne Council On Aging, Inc.			<u>\$ 955,112</u>	<u>\$ 954,592</u>	<u>\$ 954,592</u>

See notes to Schedule of Expenditures of Federal Awards.

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### **Terrebonne Council On Aging, Inc. (The Primary Government)**

June 30, 2017

#### **Note 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal award activity of the Terrebonne Council on Aging, Inc. (the Primary Government) under programs of the federal government for the year ended June 30, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the SEFA presents only a selected portion of the operation of the Council it is not intended to and does not present the financial position, changes in net position, or cash flows of the Council.

#### **Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **Note 3 - SUBRECIPIENTS**

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

#### **Note 4 - FINDINGS OF NONCOMPLIANCE**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2017.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

For the year ended June 30, 2017

**Section I Summary of Auditor's Results**

a) Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                           yes      X   no
- Significant deficiency(ies) identified that are not  
  considered to be material weaknesses?              X   yes           none reported

Noncompliance material to financial statements noted?   X   yes           no

b) Federal Awards

Internal control over major programs:

- Material weakness (es) identified?                           yes      X   no
- Significant deficiency(ies) identified that are not  
  considered to be material weaknesses?                   yes      X   none reported

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

Any audit findings disclosed that are required to be  
  Reported in accordance with  
  Uniform Requirements?                                           yes      X          no

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

(continued)

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

For the year ended June 30, 2017

**Section I Summary of Auditor's Results** (continued)

c) Identification of Major Programs:

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

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

Auditee qualified as low-risk auditee?  X  yes      no

**Section II Financial Statement Findings**

**2017-001 Criteria** – State Law, R.S. 39:1311, requires the chief executive or administrative officer advise the governing authority when budgeted revenues will not be received in comparison to actual receipts by 5% or more.

**Condition** – Budgeted General Fund revenues were significantly higher than actually received during the fiscal year, by over 41%.

**Cause** – At the time of amending the budget, the Council was expecting to receive more contribution grants before the year end. When it was discovered that these would not be received before year end, the budget was not further amended.

**Effect** – By not amending the budget for the revenues that will not be received, the budget variance exceeded the 5% limit.

**Recommendation** – Procedures should be implemented requiring budget amendments as soon as information is known to the Council.

**Section III Federal Award Findings and Questioned Costs**

There were no Federal award findings or questioned costs reported during the audit for the year ended June 30, 2017.

**REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

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

For the year ended June 30, 2017

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### Internal Control

No material weaknesses were noted during the audit for the year ended June 30, 2016.

No significant deficiency(ies) were reported during the audit for the year ended June 30, 2016.

##### Compliance

No compliance findings material to the basic financial statements were noted during the audit for the year ended June 30, 2016.

#### **Section II Internal Control and Compliance Material to Federal Awards**

There were no federal award findings or questioned costs reported during the audit for the year ended June 30, 2016.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2016.

# MANAGEMENT'S CORRECTIVE ACTION PLAN

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

For the year ended June 30, 2017

### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

#### Internal Control

**2017-001 Recommendation** – Procedures should be implemented requiring budget amendments when new information is received that actual revenues will not be comparable to budgeted revenues by over 5%.

**Management's Response** – In the future when significant revenues are not expected to be received before year end, the Board will then consider a budget amendment to reduce the budgeted revenues.

### **Section II Internal Control and Compliance Material to Federal Awards**

There were no Federal award findings on questioned costs reported during the audit for the year ended June 30, 2017.

### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended June 30, 2017.

**AGREED-UPON PROCEDURES**

**INDEPENDENT ACCOUNTANT'S REPORT ON**  
**APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures described in Schedule 9, which were agreed to by the Terrebonne Council on Aging, Inc. (the Council) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-upon Procedures (SAUPs) for the year ended June 30, 2017. The Council's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the Association of International Certified Professional Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures referred to above, either for the purpose for which this report has been requested, or for any other purpose.

The procedures and associated findings are described in Schedule 9.

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

The purpose of this report is 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 23:513, this report is distributed by the LLA as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants

Houma, Louisiana,  
November 16, 2017.

**Statewide Agreed-upon Procedures****Terrebonne Council on Aging, Inc.**

For the year ended June 30, 2017

The required procedures and our findings are as follows:

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

1. Obtain the Council's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the Council does not have any written policies and procedures), as applicable:

a) Budgeting, including preparing, adopting, monitoring, and amending the budget

Performance: Obtained and read the written policy for budgeting, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Obtained and read the written policy for purchasing, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

c) Disbursements, including processing, reviewing, and approving

Performance: Obtained and read the written policy for disbursements, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

d) Receipts, including receiving, recording, and preparing deposits

Performance: Obtained and read the written policy for receipts, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Inspected written policy for payroll and personnel, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected written policy for contracting, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Obtained and read the written policy for credit cards, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected travel and expense reimbursement policy, and found it to contain the requirements included above.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Obtained and read the written policy for ethics.

Exceptions: The ethics policy did not include the requirements listed above.

Management's response: Management will begin to draft a policy that includes all of the requirements listed in these procedures.

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

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

Performance: Inquired of management as to a debt service policy.

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

Management's response: Not Applicable.

**Procedures performed on the Council's board:**

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.

Performance: Obtained and read the written meeting minutes of the board meetings, and confirmed quorum attendance monthly.

Exceptions: No exceptions noted.

Management's response: Not applicable.

- 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).

Performance: Inspected meeting minutes and budget-to-actual comparisons for the major funds. The meeting minutes reference monthly budget-to-actual comparisons and they are included with the meeting minutes.

Exceptions: No exceptions noted.

Management's response: Not applicable.

- 1) 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.

Performance: Inspected the board's meeting minutes and budget-to-actual comparisons and deficit spending in the General Fund is reducing fund balance.

Exceptions: No exceptions noted.

Management's response: Not applicable.

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

- 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.

Performance: Inspected the board's meeting minutes for the fiscal year and noted non-budgetary financial information in the form of approvals of contracts, and disbursements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable

**Procedures performed on the Council's bank reconciliations:**

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

Performance: Obtained the listing of bank accounts from management, and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

4. Using the listing provided by management, select all of the Council'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). 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;

Performance: Selected all four bank accounts. Inspected management's documentation for accuracy of bank reconciliations.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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

Performance: Inspected documentation for management approvals of each bank reconciliation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's bank reconciliations: (Continued)**

- 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.

Performance: Inspected documents for items outstanding for more than 6 months. In our observation, we did not note any checks outstanding for more than 6 months as of the end of the fiscal period.

Exceptions: No exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's collections:**

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

Performance: Obtained the listing of cash/check/money order (cash) collection locations from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

6. Using the listing provided by management, select all of the Council'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).

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.

Performance: Inspected policy manuals, and inquired of management as to all of the requirements. Persons involved with collecting cash are not responsible for the deposit, recording, or reconciling of cash accounts.

Exceptions: Each employee that is responsible for collecting cash is not bonded. The Council holds an insurance policy for crime related loss. There is only one cash drawer at each location maintained by one employee per day.

Management's response: Management will continue current cash collection procedures.

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

- 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.

Performance: Inspected policy manual, as well as inquiries of management to ensure separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- 1) Using Council 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.

Performance: Our test population was based across all revenue accounts, and all months throughout the year. We selected a sample of 25 cash receipt transactions.

Exceptions: Management does not deposit receipts within one day of receipt due to internal control processes in place. Mail is opened by receptionists, who then give receipts to the executive director to review. It is then given to an accountant to review, and then deposited into the bank. This process can take over one day to perform.

Management's response: Management will begin to better adhere to depositing receipts within one day of their actual receipt.

- 2) 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.

Performance: Inspected sequentially numbered receipts, the journal of cash receipts, and deposit slips from the bank. Noted that all collections are supported by adequate documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the Council has a process specifically defined (identified as such by the Council) 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.

Performance: Inspected policy and inquired of management as to separation of duties.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments):**

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

Performance: Obtained the completed general ledger for the fiscal period and obtained management's representations in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

9. Using the disbursement population from #8 above, 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.

Performance: Systematically selected 25 disbursements. Inquired of management as to requisition/purchase orders, and how invoices are approved.

Exceptions: Management does not use a documented purchase order system for all disbursements. Some routine disbursements are automated, or within the power of the employee in charge. All disbursements are reviewed by the Executive Director before checks are mailed out.

Management's response: Management will work towards using a formal, written purchase order/requisition system for routine expenditures.

**Procedures performed on the Council's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)**

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

Performance: Inquired of management as to purchase approval process.

Exceptions: Management does not use written purchase orders for all disbursements.

The Executive Director approves all disbursements before they are made.

Management's response: Management will work towards using a formal, written purchase order/requisition system for all purchases.

- 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.

Performance: Inquired of management and observed approved invoices.

Exceptions: Payments are processed without written purchase orders, and receiving reports. Management approves invoices after they are received, and initials them to show proper approvals. All invoices are approved before payment is made.

Management does not use receiving reports, but supervisors receiving items will review the packing slip for accuracy, and initial those slips for approvals.

Management's response: Management will work towards using a formal, written purchase order/requisition system for all purchases.

10. Using Council 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 Council's purchasing/disbursement system.

Performance: Inspected policy and inquired of management as to separation of duties.

Exceptions: The person responsible for recording payments in the accounting system also adds vendors to the accounting system; however, this employee does not initiate or approve any purchases.

Management's response: Management will continue the control of only allowing one employee access to add new vendors.

11. Using Council 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.

**Procedures performed on the Council's general disbursements (excluding credit card, debit card, fuel card, P-card purchases or payments): (Continued)**

Performance: Inspected policy as well as confirmed with documentation the persons responsible for signing checks and making the final authorization. The executive director and at least one board member are responsible for the final approvals and signing checks. Disbursements can be requested by employees, supervisors, the executive director, and the board. Any disbursements requested by the executive director are approved by the board.

Exceptions: The Executive Director can request for certain disbursements; however, the board must approve for such transactions.

Management's response: Not applicable.

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 Council documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Performance: Inquired of management, as well as observed where the supply of unused checks is held. The Executive Director, as well as the board members with signatory authority, do not have system access to print checks.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inquired of management as to whether there is a signature stamp or machine. Per management, there is no signature stamp or machine.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Obtained the listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) from management and received management's representation in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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.

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.]]

Performance: Obtained all monthly statements for all five cards and observed for supporting documentation, as well as approvals.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Traced all credit card payments and balances on the credit card statements in order to note if any fees were applied to balances.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing).

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

- 1) An original itemized receipt (i.e., identifies precisely what was purchased)

Performance: Traced each transaction to an original itemized receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Observed documentation of the purpose of each transaction. Confirmed that all meal charge documentation included the names of the individuals participating.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Observed written approvals of credit card transactions. Management reviews all transactions, and then traces each transaction to the backup that is provided by the person incurring charge.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the Council'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.

Performance: Compared the transaction detail to the written disbursement policy and Louisiana Public Bid Law.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) For each transaction, compare the Council'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.

Performance: Inspected all detail transactions and compared them to the requirements of Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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.

Performance: Obtained a list of all travel and related expense reimbursements.

Management's representation of the listing was confirmed in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

18. Obtain the Council'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.

Performance: Management's travel and expense policies reference the rates established by the State of Louisiana as their applicable rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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 Council does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

Performance: Selected the three employees who incurred the most travel costs during the period to further select the highest travel expenditure reimbursed. Compared expense documents to the applicable rates.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- b) Report whether each expense is supported by:

- 1) 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.]

**Procedures performed on the Council's travel and expense reimbursements: (Continued)**

Performance: Traced expense to the original itemized receipt with detail of purchase.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Traced expense to the original itemized receipt. Documentation of the business/public purpose was written on the receipt by the attending employee. If any employee ate a meal, the persons attending were written on the meal receipt.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected all documents provided for all travel reimbursements selected.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- c) Compare the Council'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.

Performance: Inspected the business/public purpose of all travel reimbursements selected and compared them to Article 7, Section 14 of the Louisiana Constitution.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected documentation to find all approvals by supervisors and/or the Executive Director.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's contracts:**

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

Performance: Obtained the listing of contracts in effect during the fiscal year from management, and received management's representation of completeness in a separate letter.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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 auditor). 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.

Performance: Obtained the listing of contract vendors. Inspected the written contract that supports the services arrangement.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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:

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

Performance: For the contracts subject to Louisiana Public Bid Law, compared contract documentation to legal requirements.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Inspected contracts and inquired of client as to receipt of any other quotes.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- 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.

Performance: Inspected contract to agree to the actual expenditure. The contract was not amended during the year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Inspected the invoice and compared to the written contract information.

The invoice and related payment complied with the terms of the contract.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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).

Performance: Inspected board meeting minutes and confirmed the board approved the contracts and the work performed.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's payroll and personnel:**

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

Performance: Obtained the listing of employees with their related salaries from management, and received management's representation of completeness in a separate letter. Selected five employees for testing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

- a) Review compensation paid to each employee selected 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.

Performance: Compared compensation in the salary schedules with payments made to employees during the fiscal year.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

- 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.

Performance: Traced hourly rate changes during the period to personnel files, where they were approved in writing.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.)

Performance: Randomly selected one pay period to test leave taken during that period. Inspected all daily attendance and leave records for proper documentation.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

Performance: Confirmed that attendance and leave records were reviewed and approved by supervisors.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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

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

Performance: Inquired and confirmed that the Council maintains written leave records for each employee eligible for paid leave.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inquired and inspected list of employees that terminated during the period. Management's representation of completeness was completed in a separate letter. Obtained the personnel files for the two largest termination payments, and traced to the employees' final written leave records and daily attendance records. All termination payments were approved by the executive director and were made in strict accordance with the personnel policy.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

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.

Performance: Inspected payroll reporting forms, as well as cancelled checks to confirm that all payments were submitted to the applicable agencies by the required deadlines.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's ethics:**

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 Council maintained documentation to demonstrate that required ethics training was completed.

Performance: Used the five employees selected in procedure # 22, and noted the date the employee performed ethics compliance.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

27. Inquire of management whether any alleged ethics violations were reported to the Council 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 Council's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Performance: Inquired of management of any ethics violations, none were noted.

Exceptions: There were no exceptions noted.

Management's response: Not applicable.

**Procedures performed on the Council's debt service:**

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

Performance: Due to the Quasi-Governmental status of the Council, they are not required to perform under debt service compliance.

Exceptions: Not applicable.

Management's response: Not applicable.

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

Performance: Not applicable.

Exceptions: Not applicable.

Management's response: Not applicable.

**Procedures performed on the Council's debt service: (Continued)**

30. If the Council 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.

Performance: Not applicable.  
Exceptions: Not applicable.  
Management's response: Not applicable.

**Other procedures performed on the Council:**

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 Council reported the misappropriation to the legislative auditor and the District attorney of the parish in which the Council is domiciled.

Performance: Inquired of management of any misappropriations of public funds or assets, none were noted.  
Exceptions: Not applicable.  
Management's response: Not applicable.

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

Performance: Inquired and observed such notice posted on the premises and website.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.

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

Performance: Inspected all procedures, and the results of such procedures and compared them to management's representations in a separate letter.  
Exceptions: There were no exceptions noted.  
Management's response: Not applicable.