

JACKSON COUNCIL ON THE AGING, INC.

Financial Statements
For the Year Ended June 30, 2018

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2018

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JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Jackson Council on the Aging, Inc., as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Council as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information for the Jackson Council on the Aging, Inc., as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and 20 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements, schedule of compensation, benefits and other payments to agency head or chief executive officer and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated November 8, 2018, on my consideration of the Council's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering Jackson Council on Aging's internal control over financial reporting and compliance.

David M. Houd, CPA (CPA#)

West Monroe, Louisiana
November 8, 2018

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Jackson Council on the Aging provides an overview of the Council's activities for the year ended June 30, 2018. Please read it in conjunction with the Council's financial statements.

USING THIS ANNUAL REPORT

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

Reporting the Council as a Whole

The Statement of Net Position and the Statements of Activities

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

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

THE COUNCIL AS A WHOLE

For the year ended June 30, 2018 and 2017.

	FYE 2018	FYE 2017
Beginning net position	\$3,794,082	\$3,663,310
Increase (decrease) in net position	<u>93,953</u>	<u>130,772</u>
Ending net position	\$3,888,035	\$3,794,082

THE COUNCIL'S FUNDS

The following schedule presents a summary of revenues and expenses for the fiscal year ended June 30, 2018, and the amount and percentage of increases and decreases in relation to the prior year.

	FYE 2018	Percent	Increase (Decrease)	Percent Increase (Decrease)
	Amount	of Total	From FYE 2017	
Revenues:				
Intergovernmental	\$136,631	18%	(\$ 6)	(0%)
Public Support	\$ 28,337	4%	\$ 4,507	19%
Rental Income	\$ 29,857	4%	\$ 5,399	22%
Miscellaneous	\$ 16,939	1%	\$ 4,136	32%
Property Tax	<u>\$548,889</u>	<u>73%</u>	<u>(\$34,273)</u>	<u>(6%)</u>
Total Revenues	\$760,653	100%	\$(20,337)	67%

The decrease in revenues is mainly due to decrease in property taxes received.

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

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

	FYE 2018 Amount	Percent of Total	Increase (Decrease) From FYE 2017	Percent Increase (Decrease)
Expenses:				
Total	\$666,700	100%	\$16,582	3%

The increase from 2017 is mainly due to an increase in senior activities costs.

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

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

BUDGETARY HIGHLIGHTS

The Council's total revenues in fiscal year 2018 were more than the final budget by \$484,173. Actual expenses for the Council in fiscal year 2018 were more than the final budget by \$76,525. The General Fund is not budgeted but used in support of other programs.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2018 and 2017, the Council had \$1,587,365 and \$1,582,486 net of accumulated depreciation, invested in capital assets including buildings and improvements, furniture and fixtures, equipment, and vehicles (see table).

	FYE 2018	FYE 2017
Land	\$ 73,250	\$ 55,000
Building	1,716,324	1,716,324
Buildings and improvements	15,578	15,578
Furniture and equipment	116,207	116,207
Vehicles	198,225	207,379
Accumulated Depreciation	<u>(532,219)</u>	<u>(525,002)</u>
Totals	\$1,587,365	\$1,582,486

Two vans were purchased in addition to a tract of land across from the Senior Center building. Also, two older vans were sold during the year.

Debt

There was no debt by the Council at June 30, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND REVENUES

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

CONTACTING THE COUNCIL'S FINANCIAL MANAGEMENT

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

Nell Stadlander,
Executive Director

GOVERNMENT-WIDE FINANCIAL STATEMENTS

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash	\$ 688,498
Certificates of Deposit	1,658,624
Accounts Receivable	4,519
Capital Assets:	
Non-Depreciable	73,250
Depreciable	<u>1,514,115</u>
<u>TOTAL ASSETS</u>	3,939,006
<u>LIABILITIES</u>	
Accounts Payable	3,577
Accrued Expenses	23,624
Noncurrent Liabilities	
Due Within One Year	
Compensated Absences	<u>23,770</u>
<u>TOTAL LIABILITIES</u>	50,971
<u>NET POSITION</u>	
Net Investment in Capital Assets	1,587,365
Unrestricted, Utility Assistance	-
Unrestricted, Unreserved	<u>2,300,670</u>
<u>TOTAL NET POSITION</u>	<u>\$ 3,888,035</u>

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Function/Program Activities		
Governmental Activities:		
Health, Welfare and Social Services:		
Supportive Services:		
Homemaker	\$ 27,529	\$ 14,703
Information and Assistance	365	191
Outreach	380	191
Transportation	50,639	43,543
Other Services	902	1,201
Nutrition Services:		
Congregate Meals	134,405	48,045
Home Delivered Meals	102,104	54,307
Utility Assistance	-	-
National Family Caregiver Support	-	42
Senior Activities	96,168	-
Administration	91,985	-
	<u>\$ 504,477</u>	<u>\$ 162,223</u>
Total Governmental Activities		

Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
	Operating Grants and Contributions	Capital Grants and Contributions	
\$ -	\$ 14,622	\$ -	\$ (27,610)
-	192	-	(364)
-	193	-	(378)
-	32,607	-	(61,575)
-	733	-	(1,370)
-	3,754	-	(178,696)
-	7,164	-	(149,247)
-	-	-	-
-	42	-	-
-	-	-	(96,168)
-	28,337	-	(63,648)
<u>\$ -</u>	<u>\$ 87,644</u>	<u>\$ -</u>	<u>\$ (579,056)</u>

General Revenues:

Grants and Contributions not Restricted to Specific Programs	77,324
Property Taxes	548,889
Rental Income	29,857
Miscellaneous	2,902
Interest Income	14,037
Total General Revenues	<u>673,009</u>
Changes in Net Position	93,953
Net Position - Beginning	<u>3,794,082</u>
Net Position - Ending	<u>\$ 3,888,035</u>

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

FUND FINANCIAL STATEMENTS

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2018

	General Fund	Title III B Supportive Services	Title C-1 Congregate Meals	Title C-2 Home Delivered Meals
<u>ASSETS</u>				
Cash and Cash Equivalents	\$ 688,498	\$ -	\$ -	\$ -
Certificates of Deposit	1,658,624	-	-	-
Accounts Receivable	-	3,607	331	581
Due From Other Funds	4,519	-	-	-
	<u>\$ 2,351,641</u>	<u>\$ 3,607</u>	<u>\$ 331</u>	<u>\$ 581</u>
<u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Accounts Payable	\$ 3,577	\$ -	\$ -	\$ -
Other Accrued Expenses	23,624	-	-	-
Due To Other Funds	-	3,607	331	581
	<u>27,201</u>	<u>3,607</u>	<u>331</u>	<u>581</u>
<u>FUND BALANCE</u>				
Fund Balance				
Restricted for:				
Utilities Assistance	-	-	-	-
Unassigned	2,324,440	-	-	-
Total Fund Balance	<u>2,324,440</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>TOTAL LIABILITIES AND FUND</u>				
<u> BALANCE</u>	<u>\$ 2,351,641</u>	<u>\$ 3,607</u>	<u>\$ 331</u>	<u>\$ 581</u>

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCES TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2018

<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>		
		Total Governmental Fund Balances	\$ 2,324,440
		<i>Amounts reported for governmental activities in the statement of net position are different because:</i>	
\$ -	\$ 688,498		
-	1,658,624		
-	4,519		
-	4,519		
<u>\$ -</u>	<u>\$ 2,356,160</u>	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,587,365
		Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	<u>(23,770)</u>
\$ -	\$ 3,577		
-	23,624		
-	4,519	Net Position of Governmental Activities	<u>\$ 3,888,035</u>
-	31,720		
-	-		
<u>-</u>	<u>2,324,440</u>		
<u>-</u>	<u>2,324,440</u>		
<u>\$ -</u>	<u>\$ 2,356,160</u>		

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

JACKSON COUNCIL ON THE AGING, INC
JONESBORO, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>General Fund</u>	<u>Title III B Supportive Services</u>	<u>Title C-1 Congregate Meals</u>	<u>Title C-2 Home Delivered Meals</u>
<u>REVENUES</u>				
Intergovernmental	\$ 77,324	\$ 48,347	\$ 3,754	\$ 7,164
Property Tax	548,889	-	-	-
Public Support	-	2,113	15,800	10,424
Rental Income	29,857	-	-	-
Interest Income	14,037	-	-	-
Miscellaneous	2,902	-	-	-
Total Revenues	<u>673,009</u>	<u>50,460</u>	<u>19,554</u>	<u>17,588</u>
<u>EXPENDITURES</u>				
Current:				
Salaries	65,357	70,043	116,968	96,767
Fringe	4,949	5,301	8,921	7,349
Travel	160	9	15	13
Operating Services	30,042	59,437	49,228	48,578
Operating Supplies	5,334	4,854	6,356	3,704
Other Costs	12,329	-	962	-
Capital Outlay	75,096	-	-	-
Principal Payments	-	-	-	-
Interest Expense	-	-	-	-
Utility Assistance	-	-	-	-
Total Expenditures	<u>193,267</u>	<u>139,644</u>	<u>182,450</u>	<u>156,411</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</u>	479,742	(89,184)	(162,896)	(138,823)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers - In	67,257	89,184	162,896	138,823
Operating Transfers - Out	(458,160)	-	-	-
Total Other Financing Sources (Uses)	<u>(390,903)</u>	<u>89,184</u>	<u>162,896</u>	<u>138,823</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</u>	88,839	-	-	-
<u>FUND BALANCE AT BEGINNING OF YEAR</u>	<u>2,235,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 2,324,440</u>	<u>-</u>	<u>-</u>	<u>-</u>

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Nonmajor Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	\$ 88,839
\$ 42	\$ 136,631	<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
-	548,889		
-	28,337		
-	29,857		
-	14,037		
-	2,902		
42	760,653		
		Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
-	349,135	Capital outlay purchases capitalized	75,096
-	26,520	Depreciation expense	<u>(70,217)</u>
-	197		4,879
-	187,285		
-	20,248		
42	13,333	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	<u>235</u>
-	75,096		
-	-		
-	-		
42	671,814	Change in Net Position in Governmental Activities	<u>\$ 93,953</u>
-	88,839		
-	458,160		
-	(458,160)		
-	-		
-	88,839		
-	2,235,601		
<u>\$ -</u>	<u>\$ 2,324,440</u>		

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1- Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

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

B. Financial Reporting

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

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

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

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

The Council reports the following major governmental funds:

General Fund

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

Local Funds

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

PCOA (ACT 735) Funds

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

General Fund (continued)

Supplemental Senior Center Fund

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

Title III-B Supportive Services Fund

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

Title III C-1 Congregate Meals Fund

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

Title III C-2 Home Delivered Meals Fund

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

The remaining nonmajor funds are as follows:

Senior Center Fund

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

Title III-E National Family Caregiver Support

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

Utility Assistance Fund

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1- Summary of Significant Accounting Policies (continued)

B. Financial Reporting (continued)

MIPPA

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

C. Funding Policies and Sources of Funds

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

D. Fund Equity

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

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

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

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 1- Summary of Significant Accounting Policies (continued)

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

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

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

E. Estimates

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

F. Compensated Absences

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

Note 2 - Cash and Certificates of Deposit

Custodial Credit Risk - Deposits

The custodial credit risk is the risk that in the event of a bank failure, the Council’s deposits may not be returned to it. The Council’s policy to ensure there is no exposure to this risk is to require each financial institution to pledge its own securities to cover any amount in excess of Federal Depository Insurance Coverage. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent bank has failed to pay deposited funds upon demand. Accordingly, the Council had a finding relating to its custodial risk related to its deposits at June 30, 2018.

At June 30, 2018, the Council has cash and cash equivalents (book balances net of overdrafts) in the amount of \$688,498.

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 2 - Cash and Certificates of Deposit (continued)

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

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable by both parties. The following is a schedule of the Council's cash and certificates of deposit at June 30, 2018. Differences between Council balances and the bank balances arise because of the net effect of deposits in transit and outstanding checks.

	<u>Council Balances</u>	<u>Bank Balances</u>
Cash on Deposit	\$ 688,498	\$ 720,785
Certificates of Deposit	<u>1,658,624</u>	<u>1,658,624</u>
<u>TOTAL</u>	<u>\$ 2,347,122</u>	<u>\$ 2,379,409</u>

The Council's deposits are collateralized as follows:

FDIC Insured Deposits	\$1,000,000
Uninsured Deposits:	
Collateralized	<u>2,000,000</u>
Total Deposits	<u>\$3,000,000</u>

Note 3 - Fixed Assets

Fixed asset activity for the year ended June 30, 2018 is as follows:

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Assets:				
Land	\$ 55,000	\$ 18,250	\$ -	\$ 73,250
Building	1,713,274	-	-	1,713,274
Portable Building	15,578	-	-	15,578
Building Improvements	3,050	-	-	3,050
Vehicles	207,379	56,846	66,000	198,225
Furniture & Fixtures	<u>116,207</u>	<u>-</u>	<u>-</u>	<u>116,207</u>
Totals at Historical Cost	2,110,488	75,096	66,000	2,119,584

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Less Accumulated Depreciation

For:				
Building	(228,395)	(43,226)	-	(271,621)
Portable Building	(15,578)	-	-	(15,578)
Building Improvements	(2,135)	(305)	-	(2,440)
Vehicles	(185,478)	(23,041)	66,000	(142,519)
Furniture & Fixtures	(96,416)	(3,645)	-	(100,061)
Total Accumulated Depreciation	(528,002)	(70,217)	66,000	(532,219)
Fixed Assets, Net	<u>\$ 1,582,486</u>	<u>\$ 4,879</u>	<u>\$ -</u>	<u>\$ 1,587,365</u>

Depreciation was charged to Administration activities of the Council for \$70,217.

Note 4- Long-Term Debt

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Other Liabilities:					
Accrued Vacation	<u>\$ 24,005</u>	<u>\$ -</u>	<u>\$ 235</u>	<u>\$ 23,770</u>	<u>\$23,770</u>
Total Long-Term Debt	<u>\$ 24,005</u>	<u>\$ -</u>	<u>\$ 235</u>	<u>\$ 23,770</u>	<u>\$23,770</u>

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

Note 5 - In-Kind Contributions

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

Note 6 - Board of Directors' Compensation

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 7 - Income Tax Status

The Council, a non-profit corporation is exempt from federal income taxation under Section 501 (c) (3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the organization engage in activities unrelated to its exempt purpose, taxable income could result. The organization had no unrelated business income for the year ended June 30, 2018. The earliest income tax year that is subject to examination is 2014.

Note 8 - Litigation and Claims

There was no litigation pending against the Council at June 30, 2018, nor is the Council aware of any unasserted claims.

Note 9- Risk Management

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

Note 10- Federal Award Programs

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

Note 11 -Economic Dependency

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

Note 12 -Subsequent Events

Subsequent events have been evaluated through November 8, 2018, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

Note 13-Interfund Transfers

Operating transfers in and out are listed by fund for 2018:

	Funds Transferred Out			
<u>Funds Transferred In</u>	<u>Supplemental Senior Center</u>	<u>PCOA</u>	<u>General Fund</u>	<u>Total In</u>
Senior Center	\$ -	\$ -	\$67,257	\$67,257
Title IIIB - Supportive Services	10,913	37,500	40,771	89,184
Title III C-1	-	-	162,896	162,896
Title III C-2	-	-	138,823	138,823
Total Out	<u>\$ 10,913</u>	<u>\$ 37,500</u>	<u>\$ 409,747</u>	<u>\$458,160</u>

REQUIRED SUPPLEMENTAL INFORMATION (PART B)
BUDGETARY COMPARISON SCHEDULES

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 82,136	\$ 82,136	\$ 77,324	\$ (4,812)
Public Support	-	-	-	-
Property Taxes	-	-	548,889	548,889
Rental Income	-	-	29,857	29,857
Interest Income	-	-	14,037	14,037
Miscellaneous	-	-	2,902	2,902
Total Revenues	<u>82,136</u>	<u>82,136</u>	<u>673,009</u>	<u>590,873</u>
<u>Expenditures</u>				
Salaries	46,740	46,740	65,357	(18,617)
Fringe	5,266	5,266	4,949	317
Travel	52	52	160	(108)
Operating Services	18,900	18,900	30,042	(11,142)
Operating Supplies	1,229	1,229	5,334	(4,105)
Other Costs	700	700	12,329	(11,629)
Principal Payments	-	-	-	-
Interest Expense	-	-	-	-
Capital Outlay	-	-	75,096	(75,096)
Total Expenditures	<u>72,887</u>	<u>72,887</u>	<u>193,267</u>	<u>(120,380)</u>
<u>Excess of Revenues Over Expenditures</u>				
	9,249	9,249	479,742	470,493
<u>Other Financing Sources (Uses)</u>				
Transfers In	-	-	67,257	67,257
Transfers Out	(315,848)	(315,848)	(458,160)	(142,312)
Total Other Financing Sources (Uses)	<u>(315,848)</u>	<u>(315,848)</u>	<u>(390,903)</u>	<u>(75,055)</u>
<u>Net Change in Fund Balance</u>	(306,599)	(306,599)	88,839	395,438
<u>Fund Balance at Beginning of Year</u>	<u>2,235,601</u>	<u>2,235,601</u>	<u>2,235,601</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ 1,929,002</u>	<u>\$ 1,929,002</u>	<u>\$ 2,324,440</u>	<u>\$ 395,438</u>

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE III B - SUPPORTIVE SERVICES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 48,853	\$ 48,853	\$ 48,347	\$ (506)
Public Support	3,000	3,000	2,113	(887)
Total Revenues	<u>51,853</u>	<u>51,853</u>	<u>50,460</u>	<u>(1,393)</u>
<u>Expenditures</u>				
Salaries	61,327	61,327	70,043	(8,716)
Fringe	6,911	6,911	5,301	1,610
Travel	94	94	9	85
Operating Services	55,878	55,878	59,437	(3,559)
Operating Supplies	7,774	7,774	4,854	2,920
Other Costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>131,984</u>	<u>131,984</u>	<u>139,644</u>	<u>(7,660)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(80,131)	(80,131)	(89,184)	(9,053)
<u>Other Financing Sources (Uses)</u>				
Transfers In (Out)	<u>80,131</u>	<u>80,131</u>	<u>89,184</u>	<u>9,053</u>
<u>Net Change in Fund Balance</u>				
	-	-	-	-
<u>Fund Balance at Beginning of Year</u>				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE CI - CONGREGATE MEALS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 64,673	\$ 64,673	\$ 3,754	\$ (60,919)
Public Support	14,000	14,000	15,800	1,800
Total Revenues	<u>78,673</u>	<u>78,673</u>	<u>19,554</u>	<u>(59,119)</u>
<u>Expenditures</u>				
Salaries	112,942	112,942	116,968	(4,026)
Fringe	12,728	12,728	8,921	3,807
Travel	126	126	15	111
Operating Services	44,977	44,977	49,228	(4,251)
Operating Supplies	5,780	5,780	6,356	(576)
Other Costs	-	-	962	(962)
Capital Outlay	-	-	-	-
Total Expenditures	<u>176,553</u>	<u>176,553</u>	<u>182,450</u>	<u>(5,897)</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(97,880)	(97,880)	(162,896)	(65,016)
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>97,880</u>	<u>97,880</u>	<u>162,896</u>	<u>65,016</u>
<u>Net Change in Fund Balance</u>				
	-	-	-	-
<u>Fund Balance at Beginning of Year</u>				
	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
TITLE C2 - HOME DELIVERED MEALS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Intergovernmental	\$ 52,776	\$ 52,776	\$ 7,164	\$ (45,612)
Public Support	11,000	11,000	10,424	(576)
Total Revenues	<u>63,776</u>	<u>63,776</u>	<u>17,588</u>	<u>(46,188)</u>
<u>Expenditures</u>				
Salaries	138,666	138,666	96,767	41,899
Fringe	15,626	15,626	7,349	8,277
Travel	152	152	13	139
Operating Services	52,605	52,605	48,578	4,027
Operating Supplies	6,774	6,774	3,704	3,070
Other Costs	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>213,823</u>	<u>213,823</u>	<u>156,411</u>	<u>57,412</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>				
	(150,047)	(150,047)	(138,823)	11,224
<u>Other Financing Sources (Uses)</u>				
Transfers In	<u>150,047</u>	<u>150,047</u>	<u>138,823</u>	<u>(11,224)</u>
<u>Net Change in Fund Balance</u>				
	-	-	-	-
<u>Fund Balance at Beginning of Year</u>				
	-	-	-	-
<u>FUND BALANCE AT END OF YEAR</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED JUNE 30, 2018

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

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

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

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

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

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

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

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required, but must obtain prior approval for the Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations on an individual level.

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

SUPPLEMENTAL INFORMATION SCHEDULES REQUIRED BY
GOEA

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

GENERAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	<u>Programs of the General Fund</u>				<u>Total General Fund</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	<u>Senior Center</u>	<u>Supplemental Senior Center</u>	
<u>ASSETS</u>					
Cash & Cash Equivalents	\$ 688,498	\$ -	\$ -	\$ -	\$ 688,498
Certificate of Deposit	1,658,624	-	-	-	1,658,624
Accounts Receivable	-	-	-	-	-
Due From Other Funds	4,519	-	-	-	4,519
<u>TOTAL ASSETS</u>	<u>\$ 2,351,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,641</u>
<u>LIABILITIES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Accounts Payable	\$ 3,577	\$ -	\$ -	\$ -	\$ 3,577
Other Accrued Expenses	23,624	-	-	-	23,624
Due To Other Funds	-	-	-	-	-
Total Current Liabilities	<u>27,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,201</u>
<u>FUND BALANCE</u>					
Unassigned	<u>2,324,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,324,440</u>
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$ 2,351,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,351,641</u>

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2018

	Programs of the General Fund				Total General Fund
	Local	PCOA (Act 735)	Senior Center	Supplemental Senior Center	
<u>Revenues</u>					
Intergovernmental	\$ -	\$ 37,500	\$ 28,911	\$ 10,913	\$ 77,324
Public Support	-	-	-	-	-
Property Taxes	548,889	-	-	-	548,889
Rental Income	29,857	-	-	-	29,857
Miscellaneous	2,902	-	-	-	2,902
Interest Income	14,037	-	-	-	14,037
Total Revenues	<u>595,685</u>	<u>37,500</u>	<u>28,911</u>	<u>10,913</u>	<u>673,009</u>
<u>Expenditures</u>					
Salaries	-	-	65,357	-	65,357
Fringe	-	-	4,949	-	4,949
Travel	160	-	-	-	160
Operating Services	7,621	-	22,421	-	30,042
Operating Supplies	1,893	-	3,441	-	5,334
Other Costs	12,329	-	-	-	12,329
Principal Payments	-	-	-	-	-
Interest Payments	-	-	-	-	-
Capital Outlay	75,096	-	-	-	75,096
Total Expenditures	<u>97,099</u>	<u>-</u>	<u>96,168</u>	<u>-</u>	<u>193,267</u>
<u>Excess of Revenues Over</u>					
<u>Expenditures</u>	498,586	37,500	(67,257)	10,913	479,742
<u>Other Financing Sources (Uses)</u>					
Operating Transfers In	-	-	67,257	-	67,257
Operating Transfers Out	(409,747)	(37,500)	-	(10,913)	(458,160)
Total Other Financing Sources (Uses)	<u>(409,747)</u>	<u>(37,500)</u>	<u>67,257</u>	<u>(10,913)</u>	<u>(390,903)</u>
<u>Excess of Revenues and Other</u>					
<u> Financing Sources Over</u>					
<u> Expenditures and Other</u>					
<u>Financing Uses</u>	88,839	-	-	-	88,839
<u>Fund Balance at Beginning of Year</u>	<u>2,235,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,235,601</u>
<u>FUND BALANCE AT</u>					
<u>END OF YEAR</u>	<u>\$ 2,324,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,324,440</u>

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

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

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

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

FOR THE YEAR ENDED JUNE 30, 2018

	<u>Title III E</u> <u>Caregiver</u>	<u>Utilities</u> <u>Assistance</u>	<u>Total</u> <u>Nonmajor</u> <u>Special Revenue</u> <u>Funds</u>
<u>REVENUES</u>			
Intergovernmental:			
North Delta Regional Planning and Development District	\$ 42	\$ -	\$ 42
State Contract	-	-	-
Public Support:			
LA Association of Councils on Aging	-	-	-
Client Contributions	-	-	-
Total Public Support	<u>-</u>	<u>-</u>	<u>-</u>
 Total Revenues	 42	 -	 42
<u>EXPENDITURES</u>			
Current:			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating Services	-	-	-
Operating Supplies	-	-	-
Other Costs	42	-	42
Capital Outlay	-	-	-
Total Current Expenditures	<u>42</u>	<u>-</u>	<u>42</u>
 Capital Outlay	 -	 -	 -
Utility Assistance	-	-	-
Total Expenditures	<u>42</u>	<u>-</u>	<u>42</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>			
	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers - In	-	-	-
Operating Transfers - Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER</u> <u>FINANCING SOURCES OVER</u> <u>EXPENDITURES AND OTHER</u> <u>FINANCING USES</u>			
	-	-	-
<u>FUND BALANCES AT BEGINNING OF</u> <u>YEAR</u>			
	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES AT END OF YEAR</u>			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL FIXED ASSET ACCOUNT GROUP

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA

SCHEDULE OF GENERAL FIXED ASSETS

JUNE 30, 2018 AND 2017

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
<u>GENERAL FIXED ASSETS</u>				
Land	\$ 55,000	\$ 18,250	\$ -	\$ 73,250
Building	1,713,274	-	-	1,713,274
Building Improvements	3,050	-	-	3,050
Portable Building	15,578	-	-	15,578
Vehicles	207,379	56,846	66,000	198,225
Office Furniture and Equipment	116,207	-	-	116,207
	<u>\$ 2,110,488</u>	<u>\$ 75,096</u>	<u>\$ 66,000</u>	<u>\$ 2,119,584</u>
<u>INVESTMENT IN GENERAL FIXED ASSET</u>				
Property Acquired Prior to July 1, 1985 *	\$ -	\$ -	\$ -	\$ -
Property Acquired After July 1, 1985				
With Funds From:				
Act 735 PCOA	80,405	-	-	80,405
General Fund	1,936,145	75,096	13,000	1,998,241
Donation	20,000	-	-	20,000
Local Funds	15,578	-	-	15,578
Title III- E Caregiver	74	-	-	74
Title III- D Preventive Health	3,010	-	-	3,010
Title III- C-1	1,553	-	-	1,553
Title III- C-2	431	-	-	431
Title III- B Supportive Services	284	-	-	284
Senior Center	8	-	-	8
Supplemental Senior Center	-	-	-	-
Department of Transportation Sec. 5310 E&D	53,000	-	53,000	-
	<u>\$ 2,110,488</u>	<u>\$ 75,096</u>	<u>\$ 66,000</u>	<u>\$ 2,119,584</u>
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</u>	<u>\$ 2,110,488</u>	<u>\$ 75,096</u>	<u>\$ 66,000</u>	<u>\$ 2,119,584</u>

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

OTHER SUPPLEMENTAL INFORMATION

JACKSON COUNCIL ON THE AGING INC.
JONESBORO, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

<u>Federal Grants/Pass Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
U.S. Department of Health & Human Services - Administration on Aging: Passed Through Governor's Office of Elderly Affairs:				
Aging Cluster of Special Programs for the Aging:				
Title III, Part B - Supportive Services	93.044	\$ 48,214	\$ 48,214	\$ 48,214
Title III, Part C - Congregate Meals	93.045	3,754	3,754	3,754
Title III, Part C - Home Delivered Meals	93.045	7,164	7,164	7,164
Title III, Part E - National Family Caregiver Support	93.052	42	42	42
Total of Aging Cluster		<u>59,174</u>	<u>59,174</u>	<u>59,174</u>
<u>TOTAL FEDERAL AWARDS</u>		<u>\$ 59,174</u>	<u>\$ 59,174</u>	<u>\$ 59,174</u>

JACKSON COUNCIL ON THE AGING, INC.
JONESBORO, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

1. General

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

2. Basis of Accounting

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

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

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

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Jackson Council on the Aging, Inc. as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Jackson Council on the Aging, Inc.'s basic financial statements and have issued my report thereon dated November 8, 2018

Internal Control Over Financial Reporting

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

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

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

To the Board of Directors
Jackson Council on the Aging, Inc.
Page 2

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. The purpose of this report is for the information of management, the Governor's Office of Elderly Affairs and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

David M. Hurd, CPA (SPAC)

West Monroe, Louisiana
November 8, 2018

JACKSON COUNCIL ON THE AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

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

I have audited the financial statements of Jackson Council on the Aging, Inc. as of and for the year ended June 30, 2018, and have issued my report thereon dated November 8, 2018. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2018, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

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

Internal Control

Material Weakness ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

Compliance

Compliance Material to Financial Statements ___ yes X no

B. Federal Awards

Material Weakness Identified ___ yes X no

Significant Deficiencies not considered to be
 Material Weaknesses ___ yes X no

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

Unqualified _____ Qualified _____

Disclaimer _____ Adverse _____

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

C. Identification of Major Programs: N/A

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

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

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

JACKSON COUNCIL ON THE AGING, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

Section II- Financial Statement Findings – N/A

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

JACKSON COUNCIL ON THE AGING, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

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

This section is not applicable for this entity.

Section II- Internal Control and Compliance Material to Federal Awards

This section is not applicable for this entity.

Section III- Management Letter

No management letter was issued.

JACKSON COUNCIL ON AGING, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2018

	Executive Director <u>Nell Stadtlander</u>
Purpose	
Salary	\$ 51,445
Benefits - Insurance	866
Total	\$ 52,311

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

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

I have performed the procedures enumerated below, which were agreed to by the Jackson Council on Aging, Inc. (Entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The findings obtained are described in the attachment to this report.

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

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

David M. Hartt, CPA (APPC)

West Monroe, Louisiana
November 8, 2018

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exceptions

Currently, the Jackson Council on Aging, Inc. office does not have written policies and procedures addressing budgeting, purchasing, disbursements, receipts, payroll/personnel, contracting, ethics and debt service, but should be in the process of writing policies as of June 30, 2019.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Exceptions

There were no exceptions to the procedure noted above.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

There were no exceptions to the procedure noted above.

Collections

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

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

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
 - a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

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

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain

public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Exceptions

There were no exceptions noted to the above procedures.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

There were no exceptions noted to the above procedures.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

There were no exceptions noted to the procedures above.

Payroll and Personnel

- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Exceptions

There were no exceptions noted to the above procedures and no employees were terminated during the year.

Ethics

- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

Exceptions

All employees received the required ethics training and a couple of board members also received the training. Inquired as to any alleged ethics violations being reported to them and there were none.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exceptions

There were no exceptions noted to the above procedures.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

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