

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

Financial Report

Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Natchitoches Council on Aging, Inc., as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 37-42 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

The schedule of nonmajor funds and comparative schedule of general fixed assets and changes in general fixed assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of nonmajor funds and comparative schedule of fixed assets are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

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

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 8, 2018

GOVERNMENT WIDE FINANCIAL STATEMENTS

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Government Wide Statement of Net position
June 30, 2018

	Governmental Activities	Business - Type Activities	Total
Assets			
Cash	\$ 27,085	\$ 71,563	\$ 98,648
Certificate of deposit	-	177,653	177,653
Grants and contracts receivable	10,806	9,680	20,486
Capital assets, net of accumulated depreciation	<u>1,508,268</u>	<u>-</u>	<u>1,508,268</u>
 Total Assets	 <u>1,546,159</u>	 <u>258,896</u>	 <u>1,805,055</u>
Liabilities			
Accounts payable	16,404	5,729	22,133
Accrued payroll and related benefits	5,702	90	5,792
Accrued compensated absences	3,587	-	3,587
Capital Lease:			
Current portion	3,757	-	3,757
Non-current portion	6,074	-	6,074
Note payable:			
Current portion	7,848	-	7,848
Non-current portion	<u>369,739</u>	<u>-</u>	<u>369,739</u>
 Total Liabilities	 <u>413,111</u>	 <u>5,819</u>	 <u>418,930</u>
Net Position			
Invested in Capital Assets, net of debt	1,120,850	-	1,120,850
Restricted for:			
Utility assistance	607	-	607
Unrestricted	<u>11,591</u>	<u>253,077</u>	<u>264,668</u>
 Total Net Position	 <u>\$ 1,133,048</u>	 <u>\$ 253,077</u>	 <u>\$ 1,386,125</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2018

Function/Programs	Direct Expenses	Indirect Expenses
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Information and assistance	\$ 11,881	\$ 9,520
Outreach	3,232	2,590
Transportation	5,593	4,482
Material aid	13,149	10,536
Telephone	19,179	15,368
Other	7,803	2,988
Nutrition Services:		
Congregate meals	77,950	27,242
Nutrition education	3,772	3,024
Home delivered meals	122,827	45,592
Disease Prevention and Health Promotion:		
Wellness	15,471	12,396
National Family Caregiver Support:		
Respite care	14,628	-
Public education	3,457	2,770
Information and assistance	4,122	3,303
Other	8,858	3,867
Senior Center	-	-
Supplemental Senior Center	-	-
NSIP	-	-
MIPPA	-	-
Area Agency Administration	-	30,688
Administration	<u>258,296</u>	<u>(174,366)</u>
Total governmental activities	<u>570,218</u>	<u>-</u>
Business-Type Activities		
Bingo	<u>135,932</u>	<u>-</u>
Total business-type activities	<u>135,932</u>	<u>-</u>
Total	<u>\$ 706,150</u>	<u>\$ -</u>

			Net (Expense) Revenue and Increases (Decreases) in Net Assets		
Program Revenues			Total	Total	
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
\$ -	\$ 14,571	\$ -	\$ (6,830)	\$ -	\$ (6,830)
-	3,964	-	(1,858)	-	(1,858)
-	6,860	-	(3,215)	-	(3,215)
-	16,126	-	(7,559)	-	(7,559)
-	23,521	-	(11,026)	-	(11,026)
-	7,347	-	(3,444)	-	(3,444)
231	81,415	-	(23,546)	-	(23,546)
-	5,260	-	(163,159)	-	(163,159)
860	130,013	-	124,077	-	124,077
-	4,632	-	(23,235)	-	(23,235)
-	10,731	-	(3,897)	-	(3,897)
-	4,568	-	(1,659)	-	(1,659)
-	5,447	-	(1,978)	-	(1,978)
-	9,334	-	(3,391)	-	(3,391)
-	41,203	-	41,203	-	41,203
-	13,324	-	13,324	-	13,324
-	31,323	-	31,323	-	31,323
-	1,200	-	1,200	-	1,200
-	30,688	-	-	-	-
-	83,930	-	-	-	-
<u>1,091</u>	<u>525,457</u>	<u>-</u>	<u>(43,670)</u>	<u>-</u>	<u>(43,670)</u>
<u>174,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,252</u>	<u>38,252</u>
<u>174,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,252</u>	<u>38,252</u>
<u>\$ 175,275</u>	<u>\$ 525,457</u>	<u>\$ -</u>	<u>(43,670)</u>	<u>38,252</u>	<u>(5,418)</u>

General Revenues:

Grants and contributions not restricted to specific programs	-	-	-
Unrestricted investment income	68	1,649	1,717
Miscellaneous	7,128	309	7,437
Transfers	37,286	(37,286)	-
Total general revenues	44,482	(35,328)	9,154
Change in net position	812	2,924	3,736
Net position - beginning of the year	1,132,236	250,153	1,382,389
Net position - end of the year	<u>\$ 1,133,048</u>	<u>\$ 253,077</u>	<u>\$ 1,386,125</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
Assets						
Cash	\$ 27,085	\$ -	\$ -	\$ -	\$ -	\$ 27,085
Grants and contracts receivable	10,806	-	-	-	-	10,806
Prepaid expenditures	-	-	-	-	-	-
Due from other funds	-	-	-	-	607	607
Total Assets	<u>\$ 37,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 38,498</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 16,404	\$ -	\$ -	\$ -	\$ -	\$ 16,404
Accrued payroll and related benefits	5,702	-	-	-	-	5,702
Due to other funds	607	-	-	-	-	607
Total Liabilities	<u>22,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,713</u>
Fund Balances:						
Restricted for:						
Utility assistance	-	-	-	-	607	607
Unassigned	15,178	-	-	-	-	15,178
Total Fund Balances	<u>15,178</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607</u>	<u>15,785</u>
Total Liabilities and Fund Balances	<u>\$ 37,891</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	

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

- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds	(3,587)
- Notes payable are no due and payable in the current period and therefore are not reported in the funds	(377,587)
- Capital leases are not due and payable in the current period, and therefore, they are not reported in the funds	(9,831)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>1,508,268</u>
Total net position of governmental activities	<u>\$ 1,133,048</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 129,967	\$ 72,389	\$ 86,675	\$ 130,013	\$ 67,235	\$ 486,279
Department of Homeland Security	-	-	-	-	15,034	15,034
Program Service Fees:						
Congregate meals	-	-	231	-	-	231
Home delivered meals	-	-	-	860	-	860
Investment income	68	-	-	-	-	68
Local and miscellaneous:						
United way	22,690	-	-	-	-	22,690
Donations	1,454	-	-	-	-	1,454
Miscellaneous	<u>7,128</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,128</u>
Total Revenues	<u>161,307</u>	<u>72,389</u>	<u>86,906</u>	<u>130,873</u>	<u>82,269</u>	<u>533,744</u>
EXPENDITURES						
Health, Welfare, & Social Services						
Current:						
Personnel	15,495	59,459	40,094	57,079	24,623	196,750
Fringe	1,808	6,938	4,678	6,660	2,873	22,957
Travel	308	230	153	230	113	1,034
Operating Services	33,450	27,802	20,138	31,128	12,049	124,567
Operating Supplies	3,214	7,818	2,587	7,006	10,554	31,179
Other Costs	589	4,074	44,338	66,316	18,660	133,977
Capital outlay	9,678	-	-	-	-	9,678
Principal	392,316	-	-	-	-	392,316
Interest	<u>16,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,141</u>
Total Expenditures	<u>472,999</u>	<u>106,321</u>	<u>111,988</u>	<u>168,419</u>	<u>68,872</u>	<u>928,599</u>
Excess (deficiency) of revenues over expenditures	<u>(311,692)</u>	<u>(33,932)</u>	<u>(25,082)</u>	<u>(37,546)</u>	<u>13,397</u>	<u>(394,855)</u>
OTHER FINANCING SOURCES (USES)						
Other financing sources	380,740	-	-	-	-	380,740
Transfers in	53,520	33,932	25,082	37,546	34,160	184,240
Transfers out	<u>(99,397)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,557)</u>	<u>(146,954)</u>
Total other financing sources and uses	<u>334,863</u>	<u>33,932</u>	<u>25,082</u>	<u>37,546</u>	<u>(13,397)</u>	<u>418,026</u>
Net increase in fund balances	23,171	-	-	-	-	23,171
FUND BALANCES						
Beginning of the year	<u>(7,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>607</u>	<u>(7,386)</u>
End of the year	<u>\$ 15,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 15,785</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2018

Net increase in fund balances - total governmental funds	\$ 23,171
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$44,914) exceeded capital outlay (\$9,678) during the year	(35,236)
Proceeds from issuance of debt	(380,740)
Governmental funds report principal payments on debt service as expenditures. However, in the statement of activities these payments are recorded as a reduction in note payable and an expense	392,316
Some expenses reported in the State of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated absences	<u>1,301</u>
Change in net position of governmental activities	<u>\$ 812</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Net position
 Proprietary Fund
 June 30, 2018
 (With Comparative Data for Prior Year)

		Business-Type Activities Video Bingo	
		2018	2017
Assets			
Current Assets:			
Cash		\$ 71,563	\$ 70,540
Certificate of deposit		177,653	176,152
Receivables, net		<u>9,680</u>	<u>8,426</u>
Total Current Assets		<u>258,896</u>	<u>255,118</u>
Total Assets		<u>\$ 258,896</u>	<u>\$ 255,118</u>
Liabilities			
Current Liabilities:			
Accounts payable		\$ 5,729	\$ 4,875
Paryoll liabilities		<u>90</u>	<u>90</u>
Total Current Liabilities		<u>5,819</u>	<u>4,965</u>
Total Liabilities		<u>5,819</u>	<u>4,965</u>
Net Position			
Unreserved		<u>253,077</u>	<u>250,153</u>
Total Net Position		<u>\$ 253,077</u>	<u>\$ 250,153</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net position
 Proprietary Fund
 Year Ended June 30, 2018
 (With Comparative Data for Prior Year)

	Business-Type Activities Video Bingo	
	<u>2018</u>	<u>2017</u>
Operating Revenue		
Charges for services	\$ 174,184	\$ 178,599
Miscellaneous	<u>309</u>	<u>1,735</u>
Total Operating Revenues	<u>174,493</u>	<u>180,334</u>
Operating Expenses		
Personnel and fringe	15,413	16,006
Operating services	53,125	56,190
Operating supplies	51,768	51,865
Other costs	<u>15,626</u>	<u>16,871</u>
Total Operating Expenses	<u>135,932</u>	<u>140,932</u>
Operating income	<u>38,561</u>	<u>39,402</u>
Nonoperating Revenues		
Interest income	<u>1,649</u>	<u>1,710</u>
Total Nonoperating Revenues	<u>1,649</u>	<u>1,710</u>
Income before transfers	40,210	41,112
Transfers out	<u>(37,286)</u>	<u>(23,872)</u>
Change in Net Position	2,924	17,240
Net Position - Beginning	<u>250,153</u>	<u>232,913</u>
Net Position - Ending	<u>\$ 253,077</u>	<u>\$ 250,153</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Statement of Cash Flows
 Proprietary Fund
 Year Ended June 30, 2018

	Business-Type Activities <u>Video Bingo</u>
Cash flows from operating activities:	
Receipts from customers	\$ 173,239
Payments to suppliers for goods and services	(119,665)
Payments to employees for services	<u>(15,413)</u>
Net cash provided by operating activities	<u>38,161</u>
Cash flows from noncapital financing activities:	
Transfers to general fund	<u>(37,286)</u>
Net cash used by noncapital financing activities	<u>(37,286)</u>
Cash flows from investing activities:	
Interest on investments	<u>1,649</u>
Net cash provided by investing activities	<u>1,649</u>
Net increase in cash and cash equivalents	2,524
Cash and cash equivalents, beginning of year	<u>246,692</u>
Cash and cash equivalents, end of year	<u>\$ 249,216</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 38,561
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in current assets and liabilities:	
Increase in accounts receivable	(1,254)
Increase in accounts payable	<u>854</u>
Net cash provided by operating activities	<u>\$ 38,161</u>

The accompanying notes are an integral part of this statement.

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

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

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

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

C. Presentation of Statements

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

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

D. Basic Financial Statements - Government-Wide Statements

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

E. Basic Financial Statements - Fund Financial Statements

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). During the year, the Council received this grant money into its General Fund and management transferred \$13,806 of its PCOA (\$37,500) grant funds to the Title III funds to help pay for program expenditures of those funds. The remaining \$23,694 grant funds were used for PCOA expenditures.

The Senior Center Fund and Supplemental Senior Center Funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." During the year, management transferred \$61,779 of its Senior Center (\$48,455) grant funds and Supplemental Senior Center (\$13,324) grant funds to the Title III funds to subsidize those programs' costs of providing supportive services to elderly persons who used the senior center.

The AAA Fund (Area Agency on Aging) is used to account for funds received from the Governor's Office of Elderly Affairs that are used to subsidize the costs of administering the Council's special programs for the aging. This year the GOEA granted the Council \$30,688 of AAA funding, which has been received and accounted for in the Council's General Fund along with an equal amount of administrative expenditures. The amount of funding is not enough to pay for all the indirect administrative (indirect) type costs. As a result, the Council will consume the GOEA grant funds first when paying for administrative costs and then allocate the excess administrative costs to other programs using a formula based on the percentage each program's direct costs bears in direct costs for all programs. In addition, due to program restrictions, administrative costs may not be allocated to certain funds and programs.

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

Major Special Revenue Funds

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

	<u>Units</u>
Information and assistance	601
Outreach	251
Public education	77
Transportation	1,031
Legal assistance	58
Material aid	7,065

The main source of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$2,389).

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2018, the Council served about 13,546 congregate meals and also provided 26 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$86,675) and restricted, voluntary contributions from those persons who received congregate meals (\$231).

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 19,200 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$130,013) and restricted, voluntary contributions from the public (\$860), including those persons actually receiving home-delivered meal services.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Non-Major Special Revenue Funds

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 6,570 units of wellness service were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services (\$4,632).

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

	<u>Units</u>
In-home respite	1,250
Material aid	120
Personal care	350
Information and assistance	71
Public education	52
Outreach	48

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$30,080).

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Additionally, the Council reports the following fund types:

Proprietary Funds

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

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

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

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

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

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

I. Receivables

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

J. Prepaid Expenses/Expenditures

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

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

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

K. Capital Assets

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

Government-Wide Financial Statements

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Fund Financial Statements

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

L. Unpaid Compensated Absences

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

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

M. Deferred Revenues

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

N. Non-Current (Long-term) Liabilities

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

O. Net position in the Government-wide Financial Statements

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

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

P. Fund Equity – Fund Financial Statements

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

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

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

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Q. Management's Use of Estimates

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

R. Allocation of Indirect Expenses

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

S. Elimination and Reclassifications

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

T. Subsequent Events

Management has evaluated subsequent events through October 8, 2018, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 REVENUE RECOGNITION (Continued)

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

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

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$98,648, whereas the related bank balances totaled \$101,668. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
City Bank & Trust	\$ 98,648	\$ 98,648	None	Demand	Category 1
Total Cash	<u>\$ 98,648</u>	<u>\$ 98,648</u>			
Unrestricted Purpose	\$ 98,041				
Restricted - Utility Assistance	<u>607</u>				
	<u>\$ 98,648</u>				

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS (Continued)

The Council also has three certificates of deposit with terms ranging from nine to sixty months. The annual percentage yield for these certificates of deposit range from .50% - 1.00% as of June 30, 2018.

NOTE 4 PREPAID EXPENDITURES AND EXPENSES

At year end, there were no prepaid expenditures in the Fund Balance Sheet. Any prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

Program	Fund	Provider	Amount
United Way	General	United Way	\$ 10,000
Local	General	Natchitoches Parish Government	<u>806</u>
Total government grants and contracts receivable			<u>\$ 10,806</u>

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

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

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

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance 06-30-17	Increases	Decreases	Balance 06-30-18
Capital Assets				
Buildings and improvements	\$ 1,096,731	\$ 8,579	\$ -	\$ 1,105,310
Land	420,000	-	-	420,000
Land improvements	18,400	-	-	18,400
Vehicles	82,012	-	-	82,012
Furniture & equipment	<u>72,577</u>	<u>1,099</u>	<u>-</u>	<u>73,676</u>
Subtotal	<u>1,689,720</u>	<u>9,678</u>	<u>-</u>	<u>1,699,398</u>
Accumulated depreciation				
Building	30,985	28,775	-	59,760
Land improvements	6,326	920	-	7,246
Vehicles	74,458	4,121	-	78,579
Furniture & equipment	<u>34,447</u>	<u>11,098</u>	<u>-</u>	<u>45,545</u>
Subtotal	<u>146,216</u>	<u>44,914</u>	<u>-</u>	<u>191,130</u>
Net capital assets	<u>\$ 1,543,504</u>	<u>\$ (35,236)</u>	<u>\$ -</u>	<u>\$ 1,508,268</u>

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

Depreciation of \$44,914 was charged to governmental activities as administrative expense for the year ended June 30, 2018.

NOTE 8 CHANGES IN LONG-TERM DEBT

The Council had long-term debt related to compensated absences, notes payable, and a capital lease during the year ended June 30, 2018. The 2017 note payable obligation was refinanced during the year ended June 30, 2018. The following is a schedule of the changes in long-term debt for the year ended June 30, 2018:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Accrued annual leave	\$ 4,888	\$ -	\$ (1,301)	\$ 3,587
Note payable	385,625	380,740	(388,778)	377,587
Capital leases	<u>13,369</u>	<u>-</u>	<u>(3,538)</u>	<u>9,831</u>
	<u>\$ 403,882</u>	<u>\$ 380,740</u>	<u>\$ (393,617)</u>	<u>\$ 391,005</u>

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 CHANGES IN LONG-TERM DEBT (Continued)

Note payable at June 30, 2018, is comprised of the following:

MidSouth Bank, N.A. in the original amount of \$380,740, dated January 22, 2018, payable in 300 monthly installments of \$2,259, bearing interest at 5.15% per annum, secured by deposit accounts \$ 377,587

Capital lease at June 30, 2018, is comprised of the following:

Konica Minolta, Inc.,. In the original amount of \$18,295, dated December 31, 2015, payable in 60 monthly installments of \$354, bearing interest at 6.00% per annum, secured by equipment \$ 9,831

The annual requirements to amortize all debt outstanding at June 30, 2018, including interest payments of \$289,648, are as follows:

Year ending June 30,	Note Payable		Capital Leases		Total
	Principal	Interest	Principal	Interest	
2019	\$ 7,848	\$ 19,262	\$ 3,757	\$ 488	\$ 31,355
2020	8,262	18,848	3,988	256	31,354
2021	8,697	18,413	2,086	37	29,233
2022	9,156	17,954	-	-	27,110
2023	9,639	17,471	-	-	27,110
2024-2028	56,376	79,174	-	-	135,550
2029-2033	72,893	62,658	-	-	135,551
2034-2038	94,249	41,301	-	-	135,550
2039-2043	110,467	13,786	-	-	124,253
	<u>\$377,587</u>	<u>\$ 288,867</u>	<u>\$ 9,831</u>	<u>\$ 781</u>	<u>\$ 677,066</u>

NOTE 9 FUND BALANCES – FUND FINANCIAL STATEMENTS

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 INCOME TAX STATUS

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

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

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

NOTE 11 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 12 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

NOTE 13 CONTINGENCIES – GRANT PROGRAMS

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

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 ECONOMIC DEPENDENCY

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

NOTE 15 RISK MANAGEMENT

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

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

NOTE 16 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

NOTE 17 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments made to Executive Director Alice Barrios for the year ended June 30, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 40,250
Travel	<u>520</u>
Total	<u>\$ 40,770</u>

NOTE 18 INTERFUND TRANSFERS

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

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

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 INTERFUND TRANSFERS (Continued)

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

	Funds transferring in:			
	General Fund	Title III B	Title III C-1	Title III C-2
<u>Funds transferring out:</u>				
General Fund	\$ -	\$ -	\$ -	\$ 2,223
PCOA	-	-	-	4,000
Senior Center	-	33,932	11,758	-
Supplemental Senior Center	-	-	13,324	-
	<u>-</u>	<u>33,932</u>	<u>25,082</u>	<u>6,223</u>
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	-	-	31,323
MIPPA	1,200	-	-	-
EFSP	15,034	-	-	-
Total Special Revenue Funds	<u>16,234</u>	<u>-</u>	<u>-</u>	<u>31,323</u>
Proprietary Fund:				
Bingo	37,286	-	-	-
Total all funds	<u>\$ 53,520</u>	<u>\$ 33,932</u>	<u>\$ 25,082</u>	<u>\$ 37,546</u>
	Funds transferring in:			
	Title III D	Title III E	Total	
<u>Funds transferring out:</u>				
General Fund	\$ 16,470	\$ 5,119	\$ 23,812	
PCOA	4,000	5,806	13,806	
Senior Center	2,765	-	48,455	
Supplemental Senior Center	-	-	13,324	
	<u>23,235</u>	<u>10,925</u>	<u>99,397</u>	
Special Revenue Funds:				
Non-Major Funds:				
NSIP	-	-	31,323	
MIPPA	-	-	1,200	
EFSP	-	-	15,034	
Total Special Revenue Funds	<u>-</u>	<u>-</u>	<u>47,557</u>	
Proprietary Fund:				
Bingo	-	-	37,286	
Total all funds	<u>\$ 23,235</u>	<u>\$ 10,925</u>	<u>\$ 184,240</u>	

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ (7,993)	\$ (7,993)	\$ (7,993)	\$ -
Resources (inflows):				
Intergovernmental	125,411	125,411	129,967	4,556
Local and miscellaneous	23,079	403,819	412,080	8,261
Transfers in	<u>37,286</u>	<u>37,286</u>	<u>53,520</u>	<u>16,234</u>
Amounts available for appropriation	<u>177,783</u>	<u>558,523</u>	<u>587,574</u>	<u>29,051</u>
Charges to appropriations (outflows):				
Personnel	16,898	16,898	15,495	1,403
Fringe	1,973	1,973	1,808	165
Travel	1,339	1,339	308	1,031
Operating services	36,762	36,762	33,450	3,312
Operating supplies	3,330	3,330	3,214	116
Other costs	500	500	589	(89)
Capital outlay	8,579	8,579	9,678	(1,099)
Debt service	28,707	409,447	408,457	990
Transfers out	<u>87,688</u>	<u>87,688</u>	<u>99,397</u>	<u>(11,709)</u>
Total charges to appropriations	<u>185,776</u>	<u>566,516</u>	<u>572,396</u>	<u>(5,880)</u>
Budgetary fund balance, June 30	<u>\$ (7,993)</u>	<u>\$ (7,993)</u>	<u>\$ 15,178</u>	<u>\$ 23,171</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	72,389	72,389	72,389	-
Program income	-	-	-	-
Transfers in	<u>39,630</u>	<u>39,630</u>	<u>33,932</u>	<u>(5,698)</u>
Amounts available for appropriation	<u>112,019</u>	<u>112,019</u>	<u>106,321</u>	<u>(5,698)</u>
Charges to appropriations (outflows):				
Personnel	65,189	65,189	59,459	5,730
Fringe	7,613	7,613	6,938	675
Travel	434	434	230	204
Operating services	29,249	29,249	27,802	1,447
Operating supplies	5,534	5,534	7,818	(2,284)
Other costs	<u>4,000</u>	<u>4,000</u>	<u>4,074</u>	<u>(74)</u>
Total charges to appropriations	<u>112,019</u>	<u>112,019</u>	<u>106,321</u>	<u>5,698</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-1
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	86,675	86,675	86,675	-
Program income	2,000	2,000	231	(1,769)
Transfers in	<u>13,847</u>	<u>13,847</u>	<u>25,082</u>	<u>11,235</u>
Amounts available for appropriation	<u>102,522</u>	<u>102,522</u>	<u>111,988</u>	<u>9,466</u>
Charges to appropriations (outflows):				
Personnel	36,569	36,569	40,094	(3,525)
Fringe	4,271	4,271	4,678	(407)
Travel	264	264	153	111
Operating services	18,659	18,659	20,138	(1,479)
Operating supplies	2,259	2,259	2,587	(328)
Other costs	<u>40,500</u>	<u>40,500</u>	<u>44,338</u>	<u>(3,838)</u>
Total charges to appropriations	<u>102,522</u>	<u>102,522</u>	<u>111,988</u>	<u>(9,466)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	130,013	130,013	130,013	-
Program income	500	500	860	360
Transfers in	<u>30,651</u>	<u>30,651</u>	<u>37,546</u>	<u>6,895</u>
Amounts available for appropriation	<u>161,164</u>	<u>161,164</u>	<u>168,419</u>	<u>7,255</u>
Charges to appropriations (outflows):				
Personnel	56,593	56,593	57,079	(486)
Fringe	6,610	6,610	6,660	(50)
Travel	308	308	230	78
Operating services	30,536	30,536	31,128	(592)
Operating supplies	6,516	6,516	7,006	(490)
Other costs	<u>60,601</u>	<u>60,601</u>	<u>66,316</u>	<u>(5,715)</u>
Total charges to appropriations	<u>161,164</u>	<u>161,164</u>	<u>168,419</u>	<u>(7,255)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2018

	Title III D	Title III E	NSIP	MIPPA	EFSP	Utility Assistance	Total
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 4,632	\$ 30,080	\$ 31,323	\$ 1,200	\$ -	\$ -	\$ 67,235
Department of Homeland Security	-	-	-	-	15,034	-	15,034
Total Revenues	<u>4,632</u>	<u>30,080</u>	<u>31,323</u>	<u>1,200</u>	<u>15,034</u>	<u>-</u>	<u>82,269</u>
EXPENDITURES							
Current:							
Personnel	9,992	14,631	-	-	-	-	24,623
Fringe	1,166	1,707	-	-	-	-	2,873
Travel	63	50	-	-	-	-	113
Operating services	6,687	5,362	-	-	-	-	12,049
Operating supplies	9,959	595	-	-	-	-	10,554
Other costs	-	18,660	-	-	-	-	18,660
Total Expenditures	<u>27,867</u>	<u>41,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,872</u>
Excess (deficiency) of revenues over expenditures	<u>(23,235)</u>	<u>(10,925)</u>	<u>31,323</u>	<u>1,200</u>	<u>15,034</u>	<u>-</u>	<u>13,397</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	23,235	10,925	-	-	-	-	34,160
Transfers out	-	-	(31,323)	(1,200)	(15,034)	-	(47,557)
Total other financing sources and uses	<u>23,235</u>	<u>10,925</u>	<u>(31,323)</u>	<u>(1,200)</u>	<u>(15,034)</u>	<u>-</u>	<u>(13,397)</u>
Net increase in fund balances	-	-	-	-	-	-	-
FUND BALANCES							
Beginning of the year	-	-	-	-	-	607	607
End of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 607</u>	<u>\$ 607</u>

NATCHITOCHE PARISH COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
 And Changes In General Fixed Assets
 Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
General fixed assets:				
Vehicles	\$ 82,012	\$ -	\$ -	\$ 82,012
Furniture and equipment	72,577	1,099	-	73,676
Buildings and improvements	1,096,731	8,579	-	1,105,310
Land	420,000	-	-	420,000
Land improvements	<u>18,400</u>	<u>-</u>	<u>-</u>	<u>18,400</u>
 Total general fixed assets	 <u>\$ 1,695,082</u>	 <u>\$ 9,678</u>	 <u>\$ -</u>	 <u>\$ 1,699,398</u>
Investment in general fixed assets:				
Property acquired with funds from -				
AAA	\$ 64,461	\$ -	\$ -	\$ 64,461
PCOA	159,047	-	-	159,047
Local, Donation, Section 16	468,777	1,099	-	469,876
Bingo Fund	38,088	8,579	-	46,667
Facility Planning and Control	<u>959,347</u>	<u>-</u>	<u>-</u>	<u>959,347</u>
 Total investment in general fixed assets	 <u>\$ 1,689,720</u>	 <u>\$ 9,678</u>	 <u>\$ -</u>	 <u>\$ 1,699,398</u>

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 Benjamin J. Baudoin, CPA

* (Emeritus)



**Darnall, Sikes
& Frederick**

(A Corporation 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***

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

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

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Dawall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 8, 2018

NATCHITOCHEES PARISH COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unmodified opinion has been issued on Natchitoches Parish Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 2018.

Deficiencies and Material Weaknesses in Internal Control – Financial Reporting

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

Material Noncompliance - Financial Reporting

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

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2018.

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

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

Part III: Findings and Questioned Costs Relating to Federal Programs

At June 30, 2018, the Natchitoches Parish Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with the Uniform Guidance, therefore this section is not applicable.

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

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

NATCHITOCHEs PARISH COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2018

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



**Darnall, Sikes
& Frederick**

(A Corporation of Certified Public Accountants)

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Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
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**INDEPENDENT ACCOUNTANT’S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures enumerated below, which were agreed to by Natchitoches Parish Council on Aging, Inc. (Entity), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA’s Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Entity is a nonprofit; therefore, not applicable.

Board (or Finance Committee, if applicable)

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section excluded from testing this fiscal year.

Bank Reconciliations

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section excluded from testing this fiscal year.

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).

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

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.

Employees 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. 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.

Each employee responsible for collecting cash is not responsible for preparing/making bank deposits and is not responsible for reconciling collection entries to the general ledger or subsidiary ledgers.

- c) 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.

Employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers are not responsible for collecting cash.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

All employees who have access to cash are covered by an 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.

This section is not applicable for the Council.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Traced collection documentation to the deposit slip for the selected deposits.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Traced the deposit slip total to the actual deposit per the bank statement for the selected deposits.

- 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).

Observed that the selected deposits were made within one business day of receipt or with one week if the deposit was less than \$100.

- e) Trace the actual deposit per the bank statement to the general ledger.

Traced the actual deposit per the bank statement to the general ledger for the selected deposits.

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

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Travel and Expense Reimbursement

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Contracts

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Payroll and Personnel

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

Ethics (excluding nonprofits)

20. Using the five randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed:

Ethics compliance documentation was obtained from management for all of the 5 employees selected.

Debt Service (excluding nonprofits)

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

Other

No exceptions noted during the fiscal year ended June 30, 2017 AUP engagement, therefore this section is excluded from testing this fiscal year.

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

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

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 8, 2018