

Financial Report

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana**

June 30, 2017

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Greensburg, Louisiana
June 30, 2017

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CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants*



18435 HWY. 22
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Accountant's Review Report

To the Board of Directors
St. Helena Council on the Aging, Inc.
Greensburg, LA

I have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Helena Council on the Aging, Inc., Greensburg, Louisiana, (the Council) as of and for the year ended June 30, 2017, which collectively comprise the Council's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Council's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

The Council's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with the Statements on Standards for Accounting and review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of our procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with the accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 3 to 17 and the budgetary comparison information on pages 59 to 62, and are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. The accompanying Combining Schedule of Revenues, Expenditures and Changes

in Fund Balance - Nonmajor Governmental Funds page 67 and the Comparative Schedule of Capital Assets and Changes in Capital Assets page 68 are presented as supplementary information for purposes of additional analysis by the Governor's Office of Elderly Affairs and are also not a required part of the basic financial statements. The accompanying Schedule of Compensation, Reimbursements, Benefits, and Other Payments to the Council's Executive Director page 70 is presented as supplementary information required by Louisiana Revised Statute 24:513 A (3), as amended, but is not a required part of the basic financial statements. All supplementary information has not been subjected to the inquiry and analytical procedures I applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, I do not express an opinion or any other form of assurance on the supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated December 18, 2017, on the results of my agreed-upon procedures.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 18, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS
St. Helena Council on the Aging, Inc.
June 30, 2017

The following discussion and analysis of the St. Helena Council on the Aging, Inc.'s (the Council) financial performance provides an overview of the Council's financial performance and activities for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

Financial Highlights

- The Council showed a decrease in overall net position of \$73,142, or about 40.4% this year.
- Capital assets, net of depreciation, decreased by \$8,138, or about 6.3%.
- The Council's fund revenues increased by \$8,916, or about 2.1%.
- Fund expenditures decreased by \$122,458, or about 20%.
- The unassigned fund balance for the Council's General Fund was \$24,753 at year-end, which is a \$66,350 decrease from the prior year.
- No deficit fund balances existed at year-end.
- The Council had \$65,504 in long-term debt at the end of the year whereas last year there was \$67,718.
- Administrative expenses decreased this year by \$2,038, which is about a 1.5% decrease from last year.

How To Use this Annual Report

The Council's annual financial report consists of seven main parts:

- (1) Management's discussion and analysis (this section)
- (2) The basic financial statements (government-wide and fund)
- (3) Supplementary financial information required by GASB 34
- (4) Supplementary financial information for GOEA analysis, and
- (5) Supplementary financial information required by Louisiana law,
- (6) Accountant's review report, and
- (7) Accountant's attestation report on agreed-upon procedures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide financial statements are comprised of the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B). These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet (Exhibit C) and the Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The independent accountant has provided assurance in his accountant's review report, located immediately before this Management's Discussion and Analysis (MD&A), that the Basic Financial Statements are fairly stated. The accountant has also mentioned in his report that all supplementary information was compiled from information that is the representation of management and that he is not providing any form of assurance on it. A user of this document should read the accountant's review report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

On page 71 of this reporting package is another report by the independent accountant in which he reports on the results on certain agreed-upon procedures.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Council, along with notes to the financial statements.

Government-Wide Financial Statements

Management's analysis of the Council as a whole begins on page 3. An important point to consider is whether or not the Council's finances, as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities (referred to collectively as the government-wide financial statements) reports information about the Council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

The government-wide financial statements (Exhibits A and B) report the Council's net position and changes in them. The Council has restricted net position of \$7,183 which must be used for specific purposes, whereas \$47,432 of its net position is unrestricted, meaning that it can be used for any program at management's discretion. The Statement of Net Position (Exhibit A) is designed to present the financial position of the council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities (Exhibit B) provides information that shows how the Council's net position changed as a result of this year's activities. All changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nonelderly transportation, nutritional services, and family caregiver support. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from governmental grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the service are not required to pay for what they receive. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Fund Financial Statements

The fund financial statements (Exhibits C and D) provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, the reader will see a General Fund and three Special Revenue Funds that have been determined to be *Major Funds*, and a column for the total of all remaining Special Revenue Funds, which are considered to be *Nonmajor Funds*. The General Fund is used to account

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified* accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future for Council programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for governmental funds. In addition, the difference between the change in fund balances for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the fund financial statements and should be read before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has an adopted annual budget. The schedules compare the original and final 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.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

could be a fund that does not meet these criteria but which is believed to be important to present to the Council's financial statement users. Management did not subjectively elevate any nonmajor fund to major fund status for purposes of financial statement presentation this year.

Management's Discussion and Analysis (MD&A) is also required supplementary information (RSI) by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item, after the independent accountant's review report, in this reporting package and not with the other RSI, which is included later in this reporting package.

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present two additional schedules as supplementary information. This information will be used by GOEA to verify the accuracy of the information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

SUPPLEMENTARY INFORMATION REQUIRED BY STATE LAW

Act 706 of the 2014 Louisiana Legislative session amended Louisiana Revised Statute 24:513 A (3) to require a supplementary Schedule of Compensation, Reimbursements, Benefits and Other Payments to the Council's Executive Director. This information is designed to permit the public to see what the agency's head has been paid or reimbursed during the year. The objective is to make the Council's expenditures more transparent.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

**AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

The following table reflects condensed information on the Council's assets, liabilities, and net position for fiscal years 2017 and 2016:

| | 2017 | 2016 | Increase (Decrease) |
|-------------------------------------|-------------------|-------------------|------------------------|
| Current and Other Assets: | | | |
| Current Assets | \$ 49,522 | \$ 109,529 | \$ (60,007) |
| Other Assets | 13,707 | 19,700 | (5,993) |
| Capital Assets - land | 88,898 | 88,898 | - |
| Capital Assets, net of depreciation | 32,037 | 40,175 | (8,138) |
| Total Assets | <u>184,164</u> | <u>258,302</u> | <u>(74,138)</u> |
| Current Liabilities | 10,611 | 9,393 | 1,218 |
| Long-term Liabilities | 65,504 | 67,718 | (2,214) |
| Total Liabilities | <u>76,115</u> | <u>77,111</u> | <u>(996)</u> |
| Net Position | | | |
| Not Investment in Capital Assets | 53,434 | 59,294 | (5,860) |
| Restricted | 7,183 | 2,540 | 4,643 |
| Unrestricted | 47,432 | 119,357 | (71,925) |
| Total Net Position | <u>\$ 108,049</u> | <u>\$ 181,191</u> | <u>\$ (73,142)</u> |

As of June 30, 2017, and 2016, the Council *as a whole* had assets greater than its liabilities of \$108,049 and \$181,191, respectively. About 44% and 66% of the Council's total net positions are unrestricted as of June 30, 2017 and 2016, respectively. Unrestricted net position is important because it represents resources that management has available to adapt to changes in the economy, emergencies, unexpected needs, and reduction in or termination of grant revenues by government agencies.

The Council's restricted net position represents about 6.6% and 1.4% of the Council's total net position as of June 30, 2017 and 2016, respectively. Net position is reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The net position that has been invested in capital assets is presented net of any related outstanding debt incurred to acquire them. In 2016 the Council purchased land and financed most of the purchase price. The debt associated with this land purchase was \$67,501 at June 30, 2017 and represents the amount that was subtracted from the net capital asset amount of \$120,935 to arrive at the *Net Investment in Capital Assets* (\$53,434) presented within the net position section on the Statement of Net Position.

The following table illustrates the revenues and expenses that produced the change in net position for fiscal years 2017 and 2016.

| <u>Revenues</u> | <u>2017</u> | <u>% of Total</u> | <u>2016</u> | <u>% of Total</u> |
|--|-------------------|-------------------|-------------------|-------------------|
| Program Revenues: | | | | |
| Charges for services | \$ 7,081 | 1.67% | \$ 4,284 | 1.03% |
| Operating Grants and Contributions | 164,982 | 38.89% | 159,348 | 38.35% |
| Capital Grants and Contributions | 0 | 0.00% | 0 | 0.00% |
| General Revenues: | | | | |
| Property Taxes | 171,212 | 40.36% | 176,493 | 42.48% |
| Unrestricted Grants and Contributions | 78,662 | 18.54% | 74,349 | 17.89% |
| Miscellaneous Income | 1,921 | 0.45% | 951 | 0.23% |
| Interest Income | 348 | 0.08% | 79 | 0.02% |
| Total Revenues | 424,206 | 100.00% | 415,504 | 100.00% |
| Direct Program Expenses of the Health, Welfare, and Social Services Function: | | | | |
| Supportive Services: | | | | |
| Priority Services: | | | | |
| Transportation of the elderly | 129,511 | 26.04% | 122,274 | 25.59% |
| Other supportive services | 47,006 | 9.45% | 48,000 | 10.04% |
| Transportation Services-non-elderly | 14,702 | 2.96% | 13,586 | 2.84% |
| Nutrition Services: | | | | |
| Congregate Meals | 60,771 | 12.22% | 52,710 | 11.03% |
| Home-delivered Meals | 93,180 | 18.74% | 95,738 | 20.04% |
| Other Health, Welfare & Social Services | 11,698 | 2.35% | 4,887 | 1.02% |
| Interest Expense | 4,096 | 0.82% | 2,236 | 0.47% |
| Direct Administrative Expenses | 136,384 | 27.42% | 138,422 | 28.97% |
| Total Expenses | 497,348 | 100.00% | 477,853 | 100.00% |
| Increase (Decrease) in Net Position | (73,142) | | (62,349) | |
| Net position, beginning of year | 181,191 | | 243,540 | |
| Net position, end of year | \$ 108,049 | | \$ 181,191 | |

For 2017, the Council's total revenues increased \$8,702 or about 2% from 2016. Total expenses for 2017 increased by \$19,495 or about 4% from 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

As illustrated by the table above, the Council gets most of its revenues from a property tax followed closely by operating grants & contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the third largest percentage of revenues and this revenue is available to management to use at its discretion. Charges for services arise from fees the Council has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

When reviewing the government-wide Statement of Activities (Exhibit B), there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest program activities are supportive services, particularly elderly transportation, and nutrition services. Accordingly, management allocates funds to these programs because those are the areas of greatest demand.

Another area of interest on the Statement of Activities relates to the *Total Governmental Activities* column wherein the Council shows that most of the governmental activities have more expenses than revenues. In other words, the Council's programs are generally not self-supporting. However, on occasion, a program might *break even* or even make a slight *profit*. The Council's ability to support all governmental activities relies heavily on general revenues. As a result, management prepares the annual budget based on this expectation, which means that general revenues will be used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would be unable to provide services at current levels.

Furthermore, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet changing demands.

Another indication of how money is used efficiently or inefficiently can be analyzed by comparing the amount of administration costs from year-to-year as well as calculating

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

the percentage administration expenses bears in relation to total expenses. For 2017, total administration expenses were \$136,384 or about 27.4% of total expenses, whereas these same expenses were \$138,422 or 29% of total expenses in 2016. Administration expenses include indirect-type costs, which are costs not specifically identified with a particular program but those that benefit all programs.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Council's governmental funds reported combined ending fund balances for all fund types of \$34,916 (see Exhibit C), a decrease of \$61,289 when compared to last year. The unassigned fund balance component of the General Fund was \$27,733 (versus \$91,103 last year) and is available for spending at management's discretion. The remainder of the General Fund balance consists of \$7,183 of restricted resources. None of the special revenue funds had a fund balance at year-end.

Revenues

The combined fund revenues increased \$8,916 this year versus last year, as shown in the table below.

| | % of 2017 | | % of 2016 | | Increase/(Decrease) | |
|-----------------------|-------------------|----------------|-------------------|----------------|---------------------|--------------|
| | 2017 | Total | 2016 | Total | Amount | Percent |
| Property Taxes | \$ 177,383 | 41.22% | \$ 182,451 | 43.29% | \$ (5,068) | -2.78% |
| Intergovernmental | 220,418 | 51.22% | 217,976 | 51.72% | 2,442 | 1.12% |
| Public Support | 23,107 | 5.37% | 15,667 | 3.72% | 7,440 | 47.49% |
| Program Service Fees | 7,081 | 1.65% | 4,294 | 1.02% | 2,787 | 64.90% |
| Interest Income | 348 | 0.08% | 79 | 0.02% | 269 | 340.51% |
| Miscellaneous Income | 2,040 | 0.47% | 994 | 0.24% | 1,046 | 100.00% |
| Total Revenues | \$ 430,377 | 100.00% | \$ 421,461 | 100.00% | \$ 8,916 | 2.12% |

The Council received **property tax revenue** which accounted for approximately 41% and 43% of the Council's total revenues in 2017 and 2016, respectively. The Council has no

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

control over how much property tax revenue it receives each year because the amount depends on the assessed value of property subject to tax within St. Helena Parish. Without the property tax revenue the Council could not provide the current level of services to its elderly clients.

The **intergovernmental revenues** are comprised of federal and state grants. These grants amounted to approximately 51% and 52% of the Council's total revenues in 2017 and 2016, respectively. Most of these grants are restricted, which means the money can only be used in certain programs. The amount of annual funding from the grants the Council receives is usually constant from year-to-year which is clearly the case when 2017 is compared to 2016. However, in any given year some grant amounts may change based upon the level of service provided by the Council and, on occasion, the state legislature appropriates extra funds for council on aging entities around the state.

The Council also receives **public support** in the form of restricted and unrestricted donations from its clients and the general public. Public support helps the Council to maintain and expand services. Public support revenues represented 5.4% and 3.7% of the Council's total revenues for fiscal years 2017 and 2016, respectively. Public support comes from donations from the general public and client contributions. This year the Council received \$7,200 that was restricted for use to buy items of material aid for the elderly. So, this is why public support increased so much this year.

Program service fees are mainly composed of fees charged by the Council to transport people under age 60. The fees for this service increased by \$2,787 or 65% this year because the demand for this service has increased.

The other revenue sources are insignificant and require no explanation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Expenditures

Total expenditures decreased overall by \$122,458 this year, as shown in the table below.

| | % of 2017 | | % of 2016 | | Increase/(Decrease) | |
|--------------------|-------------------|---------|-------------------|---------|---------------------|----------------|
| | 2017 | Total | 2016 | Total | Amount | Percent |
| Personnel | \$ 245,318 | 49.90% | \$ 234,333 | 38.16% | \$ 10,985 | 4.69% |
| Fringe | 21,294 | 4.33% | 19,799 | 3.22% | 1,495 | 7.55% |
| Travel | 3,831 | 0.78% | 4,667 | 0.76% | (836) | -17.91% |
| Operating Services | 76,496 | 15.56% | 77,494 | 12.62% | (998) | -1.29% |
| Operating Supplies | 39,988 | 8.13% | 27,529 | 4.48% | 12,459 | 45.26% |
| Other Costs | 17,143 | 3.49% | 17,248 | 2.81% | (105) | -0.61% |
| Meals | 62,743 | 12.76% | 69,097 | 11.25% | (6,354) | -9.20% |
| Full Service | 7,492 | 1.52% | 7,572 | 1.23% | (80) | 100.00% |
| Utility Assistance | 0 | 0.00% | 1,800 | 0.29% | (1,800) | -100.00% |
| Capital Outlay | 4,816 | 0.98% | 115,234 | 18.76% | (110,418) | -95.82% |
| Intergovernmental | 6,171 | 1.26% | 35,919 | 5.85% | (29,748) | -82.82% |
| Debt Service | 6,374 | 1.30% | 3,432 | 0.56% | 2,942 | 100.00% |
| | <u>\$ 491,666</u> | 100.00% | <u>\$ 614,124</u> | 100.00% | <u>\$ (122,458)</u> | <u>-19.94%</u> |

Personnel expenditures increased about 4.7% when compared to last year. Each year changes in personnel costs will arise primarily because there are fluctuations in hours worked and employee attrition. The Council typically employees about 25 people at any given time throughout the year. No raises were given during the year.

Fringe expenditures increased \$1,495 primarily because FICA tax increased by \$840, state unemployment taxes decreased by \$378, and workman's compensation premiums increased by \$1,033. FICA tax increases as a result of the rise in personnel costs. Personnel costs rose 4.7% from last year and FICA tax increased by the same percent. Workman's compensation expenditures increased because wages also increased.

Travel expenditures decreased by a small amount (\$836) from last year for various reasons, none of which was individually significant.

Operating service expenditures decreased \$998 mainly due to decreases in vehicle insurance (\$7,506). However, those decreases were offset by increases in vehicle maintenance costs (\$6,667).

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Operating supplies expenditures increased by \$12,459 or 45% when compared to last year. The main reason for this large increase is because vehicle fuel costs increased by \$11,541 from last year. In addition, material aid supplies increased by \$2,557. Office supplies decreased by \$1,651 from last year.

Other costs decreased \$105 for various reasons, none of which was individually significant.

Meals expenditures decreased \$6,354 because less meals were served. This year the Council served 32,660 home-delivered meals, whereas last year the Council served 36,822. Also, this year the Council served 11,912 congregate meals, whereas last year the Council served 12,326.

Full Service expenditures only decreased by \$80 this year. The Council provides subcontracted homemaker services (\$2,565) and emergency services in the form of medic alert unit rentals (\$4,927). The Council also provided those same services last year. The cost for the homemaker services last year was \$3,432 and the medic alert rental cost was \$4,140.

Utility assistance expenditures decreased \$1,800 this year because the Council did not provide any utility assistance services this year.

Capital outlay expenditures decreased this year by \$110,418 because last year the Council bought a tract of land that cost \$88,898 and a van for \$26,336. However, the capital asset purchases for this year were only \$4,816, which consisted of only one used vehicle.

Intergovernmental expenditures decreased by \$29,748 this year primarily because last year the Council had to pay a required "local match" (\$29,961) for four vehicles acquired by the St. Helena Parish Police Jury under a capital assistance grant with DOTD. This year the same type of expenditure did not occur. The remaining \$213 difference relates to the increase in how much the Council had to pay for its pro-rata share of the pension expense relating to various statewide public retirement systems.

Debt Service expenditures increased by \$2,942 because the Council had to pay a full year's worth of note payments this year (versus 7 payments last year) for a tract of land it purchased in 2016.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

AN ANALYSIS OF THE GENERAL FUND BUDGET

During the fiscal year the Council did not amend its budget. However, there are occasions when budget amendments are necessary, such as, to account for unanticipated or significant changes (particularly unfavorable) in revenues and expenditures and to prevent compliance violations under the Council's grants from GOFA and Capital Area Agency on Aging.

When comparing the budget versus actual amounts, the Council had a net overall unfavorable variance of \$34,050. The primary reasons for this net unfavorable variance can be summed up as follows:

- Property tax revenues were under budgeted by \$22,617, which created an unfavorable variance of a like amount.
- There was nothing budgeted for the capital outlays which were \$4,816 and this created an unfavorable variance.
- There was also nothing budgeted for any of the intergovernmental expenditures. Accordingly, this oversight produced an unfavorable variance of \$6,171 in this expenditure category.

The remaining favorable and unfavorable variances within the General Fund are well within the expectations of management and require no further explanation.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the year, the Council had \$120,935 in total capital assets, net of accumulated depreciation. This amount is a net decrease from last year of \$8,138.

| Capital Assets, Net of Depreciation | | | |
|--|----------------------|----------------------|--------------------------------|
| | <u>June 30, 2017</u> | <u>June 30, 2016</u> | Increase (Decrease) |
| Land * | \$ 88,898 | \$ 88,898 | \$ - |
| Vehicles | 30,956 | 38,021 | (7,065) |
| Equipment | <u>1,081</u> | <u>2,154</u> | <u>(1,073)</u> |
| | <u>\$ 120,935</u> | <u>\$ 129,073</u> | <u>\$ (8,138)</u> |

* Note: Land is a capital asset not subject to depreciation, whereas vehicles and equipment are being depreciated.

MANAGEMENT'S DISCUSSION AND ANALYSIS **(Continued)**

The Council acquired one van in its name during this year which cost \$4,816. The Council sold two of its vehicles during the year for a combined sales price of \$1,858. At year-end the Council had four vans titled in its name, which are included in capital assets. Two of these vans are used to deliver meals to homebound persons. One of the vehicles are used to provide transportation and the other is used to deliver material aid supplies. All of the vans were operational at year-end.

The Council gets to use four relatively new vans owned by the St. Helena Parish Police Jury (PJ). The Police Jury allows the Council to have full access to these vans to carry out its rural public transportation program.

Last year the Council purchased a tract of land for \$88,898 using \$70,975 of borrowed funds. The Council's management believes this land can help the Council expand services to the elderly in future years so the purchase was made with this objective in mind. At year-end the outstanding loan against this land was \$67,501.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

For FY 2018, the management has initially budgeted \$477,857 of revenues and \$461,141 of expenditures. Accordingly, management has forecasted an excess of revenues over expenditures and other uses of \$16,716 for next year.

The Council receives most of its funding from property taxes and federal and state grants. Accordingly, the main revenue sources provide steady income that the Council can rely on from year-to-year. In setting its budget for fiscal year 2018, it was important to management that at least the same level of service be delivered to clients and the public as were provided in 2017.

All the Council's grants and contracts from the usual federal and state agencies have been approved for 2018. There have been no significant changes to the funding levels or terms of the primary grants and contracts, except for the change in how DOTD will compute and reimburse administration expenses under the section 5311 transportation grant. Management is not sure how this will impact the Council's revenues in FY 2018 but it could cause them to decrease.

The property tax was renewed by the voters on November 8, 2016 for an additional ten years (through 2028).

The budget that was submitted to Capital Area Agency on Aging (CAAA) for the programs that CAAA will fund for FY 2018 has been approved by CAAA.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide governmental agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Jim Robb, Executive Director at 48 Kendrick Street, Room 201, Greensburg, Louisiana 70441 or by phone at (225) 222-6070.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
 St. Helena Council on the Aging, Inc.
 Greensburg, Louisiana
 June 30, 2017

| | Governmental Activities |
|---|----------------------------|
| ASSETS | |
| Current Assets: | |
| Cash | \$ 12,838 |
| St. Helena Parish Police Jury - (Section 5311) | 15,384 |
| Property taxes receivable | 553 |
| Receivable from SBET | 11,500 |
| Other Receivable | 275 |
| Prepaid training - Lantec | 2,980 |
| Prepaid vehicle lease | 5,992 |
| Total current assets | 49,522 |
| Other Asset - prepaid expense for long-term vehicle use | 13,707 |
| Capital Assets: | |
| Land | 88,898 |
| Other capital assets, net of accumulated depreciation | 32,037 |
| Total capital assets | 120,935 |
| Total Assets | 184,164 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | 3,198 |
| Accrued and withheld payroll taxes | 5,416 |
| Current portion of long-term debt | 1,997 |
| Total current liabilities | 10,611 |
| LONG-TERM LIABILITIES | |
| Note Payable to Peoples Bank and Trust Company of Pointe Coupee, less current portion | 65,504 |
| Total Long-term Liabilities | 65,504 |
| NET POSITION | |
| Net investment in capital assets | 53,434 |
| Restricted for utility assistance | 2,540 |
| Restricted for material aid | 4,643 |
| Unrestricted | 47,432 |
| Total Net Position | \$ 108,049 |

See accompanying notes and independent accountant's review report.

STATEMENT OF ACTIVITIES

EXHIBIT B

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| Functions/Programs | Program Revenues | | | | | Net (Expense) Revenue and Increase (Decrease) in Net Position |
|--|------------------|-------------------|----------------------|------------------------------------|----------------------------------|---|
| | Direct Expenses | Indirect Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities | | | | | | |
| Health, Welfare & Social Services: | | | | | | |
| Supportive Services: | | | | | | |
| Transportation of the elderly | \$ 129,511 | \$ 63,622 | \$ 0 | \$ 79,892 | \$ 0 | \$ (113,241) |
| Information and Assistance | 15,950 | 8,542 | 0 | 7,420 | 0 | (17,072) |
| Material Aid | 16,399 | 8,040 | 0 | 7,200 | 0 | (17,239) |
| Outreach | 42 | 22 | 0 | 586 | 0 | 522 |
| Telephoning | 6,600 | 3,534 | 0 | 2,563 | 0 | (7,571) |
| Homemaker | 3,014 | 240 | 0 | 4,200 | 0 | 946 |
| Emergency Services (Medic Alert) | 5,001 | 39 | 0 | 3,635 | 0 | (1,405) |
| Transportation Services - nonelderly: | | | | | | |
| General Public | 14,702 | 7,008 | 7,081 | 4,897 | 0 | (9,732) |
| Nutrition Services: | | | | | | |
| Congregate Meals | 60,771 | 26,644 | 0 | 26,505 | 0 | (60,910) |
| Home Delivered Meals | 93,180 | 18,625 | 0 | 27,934 | 0 | (83,871) |
| Family Caregiver Support | 127 | 67 | 0 | 150 | 0 | (44) |
| Other Activities | 11,571 | 0 | 0 | 0 | 0 | (11,571) |
| Interest | 4,096 | 0 | 0 | 0 | 0 | (4,096) |
| Administration | 136,384 | (136,384) | 0 | 0 | 0 | 0 |
| Total governmental activities | \$ 497,348 | \$ - | \$ 7,081 | \$ 164,982 | \$ - | \$ (325,285) |
| General Revenues: | | | | | | |
| Property taxes, net of intergovernmental expenses withheld (\$6,171) | | | | | 171,212 | |
| Grants and contributions not restricted to specific programs | | | | | 78,662 | |
| Interest income | | | | | 348 | |
| Miscellaneous income | | | | | 1,921 | |
| Total General Revenues | | | | | 252,143 | |
| Increase (Decrease) in net position | | | | | | (73,142) |
| Net Position - beginning of the year | | | | | | 181,191 |
| Net Position - end of the year | | | | | | \$ 108,049 |

See accompanying notes and independent accountant's review report.

FUND FINANCIAL STATEMENTS

**FUND BALANCE SHEET
GOVERNMENTAL FUNDS**

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2017**

| | General Fund | Title III B Fund | Title III C-1 Fund | Title III C-2 Fund | Non-Major Funds | Total Governmental Funds |
|---|------------------|---------------------|-----------------------|-----------------------|--------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash | \$ 12,428 | \$ 0 | \$ 175 | \$ 235 | \$ 0 | \$ 12,838 |
| Property Taxes | 553 | - | - | - | - | 553 |
| Receivables: | | | | | | |
| St. Helena Parish Police Jury - (Section 5311) | 1,038 | 14,346 | 0 | 0 | 0 | 15,384 |
| SBET | 11,500 | 0 | 0 | 0 | 0 | 11,500 |
| Chris Donahue | 275 | 0 | 0 | 0 | 0 | 275 |
| Prepaid Training - Lantec | 2,980 | 0 | 0 | 0 | 0 | 2,980 |
| Due from other governmental funds | 11,833 | 0 | 0 | 0 | 0 | 11,833 |
| Total Assets | \$ 40,607 | \$ 14,346 | \$ 175 | \$ 235 | \$ 0 | \$ 55,363 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | 275 | 2,513 | 175 | 235 | 0 | 3,198 |
| Accrued and withheld payroll taxes | 5,416 | 0 | 0 | 0 | 0 | 5,416 |
| Due to other governmental funds | 0 | 11,833 | 0 | 0 | 0 | 11,833 |
| Total Liabilities | 5,691 | 14,346 | 175 | 235 | 0 | 20,447 |
| Fund Balances | | | | | | |
| Nonspendable: | | | | | | |
| Prepaid expenditures | 2,980 | 0 | 0 | 0 | 0 | 2,980 |
| Restricted for utility assistance | 2,540 | 0 | 0 | 0 | 0 | 2,540 |
| Restricted for material aid | 4,643 | 0 | 0 | 0 | 0 | 4,643 |
| Unassigned | 24,753 | 0 | 0 | 0 | 0 | 24,753 |
| Total Fund Balances | 34,916 | 0 | 0 | 0 | 0 | 34,916 |
| Total Liabilities and Fund Balances | \$ 40,607 | \$ 14,346 | \$ 175 | \$ 235 | \$ 0 | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | | | |
| - Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds | | | | | | 120,935 |
| - Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds as liabilities | | | | | | (67,501) |
| - Prepaid expenses relating to vehicle usage are not financial resources and therefore are not reported as assets in the governmental funds | | | | | | 19,699 |
| Net Position of Governmental Activities | | | | | | \$ 108,049 |

See accompanying notes and independent accountant's review report.

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

St. Helena Council on the Aging, Inc.

Greensburg, Louisiana

For the year ending June 30, 2017

| | General Fund | Title III B Fund | Title III C-1 Fund | Title III C-2 Fund | Nonmajor Funds | Total Governmental Funds |
|--|------------------|---------------------|-----------------------|-----------------------|-------------------|--------------------------------|
| REVENUES | | | | | | |
| Intergovernmental: | | | | | | |
| Capital Area Agency on Aging (CAAA) | \$ 0 | \$ 30,638 | \$ 8,866 | \$ 24,378 | \$ 150 | \$ 64,032 |
| Governor's Office of Elderly Affairs (GOEA) | 75,213 | 0 | 0 | 0 | 0 | 75,213 |
| St. Helena Parish Police Jury - (Section 5311) | 4,897 | 67,657 | 0 | 0 | 0 | 72,554 |
| Louisiana Rehabilitation Services | 0 | 0 | 8,619 | 0 | 0 | 8,619 |
| Property tax | 177,383 | 0 | 0 | 0 | 0 | 177,383 |
| Program service fees | 7,081 | 0 | 0 | 0 | 0 | 7,081 |
| Public Support: | | | | | | |
| Client contributions | 0 | 2,557 | 8,901 | 3,556 | 0 | 15,014 |
| Other general public donations | 8,093 | 0 | 0 | 0 | 0 | 8,093 |
| Interest Income | 348 | 0 | 0 | 0 | 0 | 348 |
| Miscellaneous | 1,921 | 0 | 119 | 0 | 0 | 2,040 |
| Total revenues | <u>274,936</u> | <u>100,852</u> | <u>26,505</u> | <u>27,934</u> | <u>150</u> | <u>430,377</u> |
| EXPENDITURES | | | | | | |
| Health, Welfare, & Social Services: | | | | | | |
| Current: | | | | | | |
| Personnel | 11,758 | 143,661 | 54,580 | 35,159 | 160 | 245,318 |
| Fringe | 1,025 | 12,486 | 4,743 | 3,027 | 13 | 21,294 |
| Travel | 112 | 2,824 | 680 | 214 | 1 | 3,831 |
| Operating Services | 8,277 | 46,522 | 11,089 | 10,593 | 15 | 76,496 |
| Operating Supplies | 3,050 | 31,086 | 2,253 | 3,598 | 1 | 39,988 |
| Other Costs | 7,514 | 5,281 | 3,333 | 1,011 | 4 | 17,143 |
| Meals | 0 | 0 | 10,299 | 52,444 | 0 | 62,743 |
| Full Service | 0 | 7,492 | 0 | 0 | 0 | 7,492 |
| Capital Outlay | 4,816 | 0 | 0 | 0 | 0 | 4,816 |
| Intergovernmental | 6,171 | 0 | 0 | 0 | 0 | 6,171 |
| Debt Service | 6,374 | 0 | 0 | 0 | 0 | 6,374 |
| Total expenditures | <u>49,097</u> | <u>249,352</u> | <u>86,977</u> | <u>106,046</u> | <u>194</u> | <u>491,666</u> |
| Excess of revenues over (under) expenditures | <u>225,839</u> | <u>(148,500)</u> | <u>(60,472)</u> | <u>(78,112)</u> | <u>(44)</u> | <u>(61,289)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating transfers in | 0 | 148,500 | 60,472 | 78,112 | 44 | 287,128 |
| Operating transfers out | (287,128) | 0 | 0 | 0 | 0 | (287,128) |
| Total other financing sources (uses) | <u>(287,128)</u> | <u>148,500</u> | <u>60,472</u> | <u>78,112</u> | <u>44</u> | <u>0</u> |
| Net increase (decrease) in fund balances | <u>(61,289)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(61,289)</u> |
| FUND BALANCE (DEFICIT) | | | | | | |
| Beginning of year | 96,205 | 0 | 0 | 0 | 0 | 96,205 |
| End of year | <u>\$ 34,916</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 34,916</u> |

See accompanying notes and independent accountant's review report.

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities**

**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana**

For the year ending June 30, 2017

| | | |
|--|-----------|-----------------|
| Net Increase (Decrease) in Fund Balances - Total Governmental Funds | \$ | (61,289) |
| <p>Governmental funds report the amounts the Council expends as local "matching" funds on capital assistance grants, which results in another government obtaining title to the capital assets acquired under the grants, as intergovernmental expenditures. However, because the Council gets to use the capital assets in lieu of having paid the required local match, the Council records the amounts it paid in the Statement of Net Assets as a prepaid expense, which will be amortized over the estimated useful lives of the capital assets. This reconciling amount represents the amount by which amortization expense (\$5,992) exceeded intergovernmental expenditures (\$0) this year.</p> | | |
| | | (5,992) |
| <p>The repayment of the principal portion of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities</p> | | |
| | | 2,278 |
| <p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of capital assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$12,954) exceeds capital outlay expenditures (\$4,816) in this year.</p> | | |
| | | (8,138) |
| Rounding | | (1) |
| Increase (Decrease) of Net Position of Governmental Activities | <u>\$</u> | <u>(73,142)</u> |

See accompanying notes and independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS**St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
June 30, 2017****Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies**

The accounting and reporting policies of St. Helena Council on the 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 St. Helena 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 and state; to provide for the 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; to coordinate and monitor services with other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA), Capital Area Agency on Aging (CAAA), and 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.

The primary services provided by the Council to the elderly residents of St. Helena Parish include congregate and home delivered meals, transportation, supportive services information and assistance, material aid, outreach, homemaker, utility assistance, telephoning, and family caregiver support information and assistance.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

b. Reporting Entity

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

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.

St. Helena Council on the Aging, Inc. (the Council) is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on March 19, 1973 and began operations on October 29, 1973, the date in which it filed its articles of incorporation with the Secretary of State's office.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. Each board member can serve no more than two consecutive terms. 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. Reasonable efforts are made to maintain a board of directors whose composition will be representative of the population of St. Helena Parish. Board members are elected by the general membership of the Council. Membership in the Council is open at all times, without restriction, to all residents of St. Helena 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 section 2100, *The Financial Reporting Entity*, of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. Accordingly, the Council has presented its financial statements as a special-purpose, stand-alone government by applying the provisions of section 2100 as if it were a primary government.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

c. Basis of Presentation of the Basic Financial 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. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

Government-Wide Financial Statements

The government-wide financial statements include the Statement of Net Position (Exhibit A) and the Statement of Activities (Exhibit B) for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide 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 and property tax 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 is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. The Statement of Activities begins by presenting gross direct and indirect expenses that includes depreciation, 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 2 CFR Part 200 - *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (aka the "Supercircular"). The Statement of Activities shows this allocation in a separate column labeled *indirect expenses*.

In the Statement 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. The Council did not charge for any of the services it rendered during the year. Property taxes, unrestricted contributions, unrestricted grants, interest income, and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in this statement. If a function or program has a net cost, then it was supported in some manner by the Council's general revenues. 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 special items this year.

Fund Financial Statements

The fund financial statements (Exhibits C and D) present financial information very similar to that which was included in the general-purpose financial statements issued

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

by governmental entities before GASB Statement No. 34 required the format change.

c. Basis of Presentation of the Basic Financial Statements (Continued)

The daily accounts and operations of the Council continue to be organized using funds and account groups. 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. For this year, no additional funds were deemed to be major funds by management. The nonmajor funds are summarized (aggregated) 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.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

c. Basis of Presentation of the Basic Financial Statements (Continued)

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 brief description of the programs and funding sources that comprise the Council's General Fund:

Local Programs and Funding

The Council receives revenues that are not required to be accounted for in a specific program or fund such as proceeds from a property tax assessment by St. Helena Parish, interest income earned on unassigned fund balances, and unrestricted donations from the general public. 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 the Council'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 use and disposition of fixed assets.

PCOA Funding

Parish Council on Aging (PCOA) 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). In FY 2016, the Council received \$37,500 of PCOA grant money into its General Fund and management transferred all of it to the Title III C-2 Fund to subsidize the cost of home-delivered meals.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant 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 operating community service centers where elderly people are receiving supportive social services and participating in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council maintains two senior centers (Dennis Mills and Turner Chapel) in St. Helena Parish. During the year, the Council received a primary *Senior Center* award of \$25,000 which was received into its General Fund and then transferred to the Title III C-1 Fund to subsidize the cost of providing congregate meals. In addition, two *Supplemental Senior Center* awards were made to the Council. One of the awards was for \$3,100 and the second award was for \$7,812.50. Both amounts were received into the General Fund and then transferred to the Title III C-1 Fund to help subsidize the cost of providing congregate meals.

Transportation Program Services - Nonelderly

The Council provides transportation services to the residents of St. Helena Parish who are not 60 years old for a fee. These program service fees and their related costs are accounted for within the *Nonelderly Transportation* program of the General Fund. In contrast, transportation services provided to residents who are at least 60 years old are accounted for in the *Elderly Transportation* program of the Title III B Fund. This year the Council generated \$7,081 of fees from this program. About 12% of all people who are transported by the Council are under 60 years old.

Medicare Improvement for Patients and Providers Act (MIPPA) Program

The MIPPA program funds are accounted for within the Council's General Fund. The purpose of this program is to provide education and enrollment assistance with regards to the Medicare Improvements for Patients and Provider's Act of 2008 to persons eligible to receive Medicare benefits. To receive the full amount of the grant (\$1,800) the Council had to provide 6 units of service which consisted of hosting outreach, enrollment, and education events in accordance with the specifications,

Exhibit F (Continued)

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

c. Basis of Presentation of the Basic Financial Statements (Continued)

procedures, and requirements outlined in the MIPPA Grant Taxonomy.

Utility Assistance

This program provides utility assistance to elderly, disabled, and handicapped people that qualify for assistance. In past years, the Council used to participate with utility companies to provide this assistance but now the Council has to rely on occasional contributions from the general public to provide utility assistance. This year the Council did not provide any utility assistance to senior citizens. The money available for utility assistance came represents unspent funds that have been carried over from past years.

Any contributions received for this program are considered restricted public support and can only be used to pay for direct services. No indirect or administration expenses can be paid for with the donated money.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure 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.

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

Major Special Revenue Funds:

Title III B Fund

The Title III B Fund is used to account for funds used to provide various units of

Exhibit F (Continued)

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

c. Basis of Presentation of the Basic Financial Statements (Continued)

supportive social services to the elderly. The main sources of the revenue forming the basis for this fund are as follows:

- A grant from GOEA via CAAA for *Special Programs for the Aging - Title III, Part B_ Grants for Supportive Services and Senior Centers* (\$30,638).
- A grant from the Louisiana Department of Transportation and Development (DOTD) which is passed through the St. Helena Parish Police Jury (PJ) to the Council for rural transportation services. This grant is commonly referred to as *Section 5311* and reimburses the Council 50% of the cost of providing rural transportation services. The portion (\$67,657) of this grant that was used to pay for the rural transportation costs for elderly riders has been recorded as revenue in this fund. This year about 88% of all the people transported by the Council were elderly.

GOEA has established the criteria for a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units the Council reported to CAAA that it provided during the fiscal year, are as follows:

| <u>Type of Service Provided</u> | <u>Units</u> |
|---|--------------|
| Information and Assistance | 449 |
| Homemaker | 213 |
| Emergency Services (Medic Alert) | 141 |
| Outreach | 22 |
| Telephoning | 5,321 |
| Transportation for people age 60 or older | 8,030 |

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide meals and nutrition education in a group setting to people age 60 or older at strategically located centers throughout St. Helena Parish. The Council maintains meal-sites at Turner Chapel and Dennis Mills. During the year, the Council reported to CAAA that it provided 11,912 meals and 143 units of nutrition education to eligible participants.

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

c. Basis of Presentation of the Basic Financial Statements (Continued)

There were two main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services* grant funds (\$8,866) received from GOEA via CAAA and restricted and restricted, voluntary contributions (\$8,901) from those persons who received meals.

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound people who are age 60 or older. During the year, the Council reported to CAAA that it provided 32,660 home-delivered meals and 52 units of nutrition education to eligible participants.

There were two main sources of revenues received this year that form the basis of this fund: *Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services* grant funds (\$24,380) received from GOEA via CAAA and restricted, voluntary contributions from those persons who received home-delivered meals (\$3,556).

Nonmajor Special Revenue Funds:

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support services for family caregivers and for grandparents or older individuals who are relative caregivers. During the year, the Council reported to CAAA that it provided 2 units of information and assistance to eligible participants. The main source of the revenue forming the basis for this fund is a grant (\$150) the Council received from GOEA via CAAA for the *Title III, Part E _ National Family Caregivers Support Program*.

Note 1 – Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

d. Measurement Focus and Basis of Accounting

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

• **Government-wide Financial Statements – Accrual Basis**

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

• **Fund Financial Statements – Modified Accrual Basis**

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 sixty 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 is a cost that is not recognized in the governmental funds.

Exhibit F (Continued)

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

e. 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.

f. Cash

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions. Cash is reported at its carrying value, which approximates its fair value.

For the purposes of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year-end, the line item *Cash* on the Statement of Net Position is comprised of restricted cash of \$7,183 and unrestricted cash of \$5,655. The Council has presented restricted cash as a component of current assets in the Statement of Net Position because it is available for use in current operations.

g. Receivables

The financial statements contain an allowance for uncollectible property tax because management estimates that all of the tax owed the Council will not be collected. This year's allowance amount has already been applied to reduce any property tax receivable amount presented on the Fund Balance Sheet and the Statement of Net Position.

Management estimates that other receivables presented will be collected in full. However, if management becomes aware of information that would change its assessment about the collectability of these other receivables, management would write off the receivables as bad debts at that time.

Exhibit F (Continued)

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

h. Investments

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council did not own any investments of this type at year-end.

Investments, which include securities traded on a national or international exchange, are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Council did not own any investments of this type at year-end.

i. Prepaid Expenses/Expenditures

In the government-wide financial statements 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 are titled to another governmental entity are

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

i. Prepaid Expenses/Expenditures - (Continued)

recorded as a prepaid expense and amortized in the Statement of Net Position to better present the substance 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.

j. 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.

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.

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

j. Capital Assets - (Continued)

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

| | |
|---|----------|
| Office equipment - other than computers | 7 years |
| Vehicles | 5 years |
| Computer equipment | 5 years |
| Leasehold improvements | 20 years |
| Nutrition equipment | 10 years |

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

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.

k. 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 government-wide statements. In the *fund* financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented anywhere else in these statements.

The Council had one long-term liability at year-end, which was a note payable to Peoples Bank and Trust Company of Pointe Coupee. This note arose when the Council purchased land during fiscal year 2016 and financed \$70,975 of the total purchase price. The unpaid principal balance of the loan will be presented in the government-wide Statement of Net Position, but not in the fund Balance Sheet. See

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

k. Non-Current (Long-term) Liabilities - (Continued)

Note 7 for more details.

l. Unpaid Compensated Absences

The Council's annual leave policy requires employees to consume any annual leave they might earn within the Council's fiscal year. In other words, an employee must *use or lose* any earned leave on or before June 30th of every year. In contrast, the Council's sick leave policy allows an employee to carryover up to thirty days of sick leave. However, upon termination the employee is not paid for any unused sick leave. As a result, the Council has not accrued a liability for any unused annual or sick leave in the financial statements.

The Council's management has this policy to minimize the Council's exposure to a liability for which the Council may not have the funds to pay.

m. Advances from Funding Agencies

Advances from funding agencies represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agencies at the end of the grant period. Grant funds due back to a funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. At year-end, the Council did not have any advances from GOEA or CAAA.

n. Deferred Revenue Other Than Property Taxes

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet of the 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 revenues at the end of this

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

n. Deferred Property Other Than Property Taxes - (Continued)

fiscal year.

o. Deferred Property Tax Revenue

Deferred property tax revenue represents taxes expected to be collected but not within 60 days after the end of the Council's fiscal year for which the taxes were levied. Deferred property tax revenues are reported on the Balance Sheet of the fund financial statements, but not on the Statement of Net Position, because the related revenues are recognized in the Statement of Activities using the full accrual basis of accounting. In subsequent periods when the deferred property tax revenues are collected, the deferral is removed from the Balance Sheet of the fund financial statements and revenues are recognized. The Council did not present any amounts this year as deferred property tax revenue because management believes little, if any, additional property tax revenue will be collected after August 31, 2017 for the 2016 property tax assessment.

p. Deferred Outflows and Inflows of Resources

Deferred outflows represent the consumption of the Council's net position that is applicable to a future reporting period. Deferred inflows represent the acquisition of net position that is applicable to a future reporting period. The Council did not have any deferred outflows or inflows of resources to report in the financial statements this year.

q. Net Position in the Government-wide Financial Statements

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources.

The Council reports three categories of net position, as follows:

- *Invested in capital assets* - This component of net position consists of capital, net of accumulated depreciation and reduced by the outstanding debt attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the position of the debt attributable to the unspent proceeds is not

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

q. Net Position in the Government-wide Financial Statements - (Continued)

included in this component of net position. Rather, that portion of the debt is included in the same component of net position as the unspent funds.

At year-end, the Council had one long-term note payable that relates to the purchase of land and the unpaid principal on this note has reduced the capital asset amount to derive the *invested in capital assets* amount on the statement of net position.

- *Restricted net position* - This component reports the amount of net position with externally imposed 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 is the balance (deficit) of all other elements in the statement of net position remaining after net investment in capital assets and restricted net position.

r. Fund Equity - Fund Financial Statements

Governmental fund equity is classified as *fund balance*, which is classified based on the relative strength of the spending constraints placed on how the fund balance resources can be used, as follows:

- *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 and are either:

**Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)**

r. Fund Equity - Fund Financial Statements - (Continued)

- 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.
-
- *Committed:* This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources at year-end.
 - *Assigned:* This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose. The intent of an assigned fund balance 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 fund balance at year-end.
 - *Unassigned:* This classification is the residual fund balance for the General Fund and represents the amount that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Exhibit F (Continued)

Note 1 - Purpose of the Council on Aging and Summary of Significant Accounting Policies
- (Continued)

r. Fund Equity - Fund Financial Statements - (Continued)

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.

s. 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.

t. 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 costs of the Administration function. The unsubsidized net cost of the Administration function is allocated using a formula 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 expense allocation according to their grant or contract restrictions.

u. 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.

Exhibit F (Continued)

Note 2 - Revenue Recognition

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

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.

Note 3 - Revenue Recognition - Property Tax

The Council receives funds from a property tax that was adopted by the voters of St. Helena Parish on October 4, 2008 to specifically provide money to finance the Council's operations. The St. Helena Parish Assessor began assessing the property tax in 2009 and will continue to do so through 2018 (ten years). The tax is based upon the assessed (appraised) value, less homestead exemptions, on all real and business personal property located within the Parish. The 1st day of January preceding the annual levy date (November 15th) is used as the date to value the property subject to tax and make the annual assessment.

The property tax originally passed in October 2008 was renewed by the voters on November 8, 2016 for another ten years (through 2028).

The gross assessed value as of January 1, 2016, of the certified roll was \$71,165,360. After applying homestead exemptions and other reductions of \$17,479,370, the net assessed value upon which the Council's property tax was computed was \$53,685,990. The Council's management elected to have the Parish assess the maximum millage of 3.55 mills for tax year 2016. Accordingly, management initially estimated the gross amount of property tax payable to the Council for this fiscal year to be \$190,585. However, after the initial estimate was made adjustments (\$16,884) were made for supplements, reductions, and adjudicated/exempt taxes. Accordingly, the Council's gross property tax revenue relating to the current year's property tax was changed to \$173,701. In addition, the Council also collected \$3,682 of back property taxes this year. As a result, the adjusted property tax revenue presented in this year's financial statements is \$177,383.

Exhibit F (Continued)

Note 3 - Revenue Recognition - Property Tax - (Continued)

Property taxes are levied in November and are considered delinquent if not paid by December 31 (the lien date). Most of the property taxes are collected during the months of December, January, and February. The St. Helena Parish Sheriff acts as the collection agent for the Parish's property taxes. The Sheriff will have a *tax sale* each year to collect as much of the taxes due as possible. The tax sale date for St. Helena Parish for the 2016 tax assessment was May 17, 2017 and the tax liens were recorded on the same day.

For the fund financial statements, property taxes are recorded as receivables and deferred revenues at the time the tax levy is billed. As the taxes are collected and remitted to the Council, they are recorded as revenues in accordance with the modified accrual basis of accounting. The Council also has a policy of accruing as current year revenues any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available. There were no property taxes collected during July and August 2017, accordingly, no accrual of additional revenue was

required. In addition, the Council did not present any amounts this year as deferred property tax revenue because management estimates little, if any, property taxes will be collected after August 31, 2017 for the 2016 property tax assessment.

For purposes of accruing property tax revenues in the government-wide financial statements, the Council follows the full accrual basis of accounting. This requires the Council to recognize property tax revenue based on the net assessed value provided by the Parish's assessor less any allowance for uncollectible amounts. Deferred property tax revenue is not recognized in the government-wide statements in contrast to the fund financial statements. If the fund financial statements do not present any amounts for deferred property tax revenues, then the amount of property tax revenues presented in the government-wide statements and the fund financial statements will be the same, which is the case this year.

Exhibit F (Continued)

Note 3 - Revenue Recognition - Property Tax - (Continued)

Property tax revenues of \$177,383 on the fund financial Statement of Revenues, Expenditures, and Changes in Fund Balances (Exhibit D) have not been reduced by \$6,171 withheld by the Sheriff for *on-behalf payments for fringe benefits*, which represent the Council's pro rata share of pension plan contributions for the following governmental agencies:

| | |
|--|-----------------|
| Assessor's retirement fund | \$ 723 |
| Clerks' of Court Retirement & Relief Fund | 546 |
| District Attorney's Retirement System | 397 |
| Municipal Employee's Retirement System | 546 |
| Parochial Employees' Retirement System | 546 |
| Registrar of Voters Employees' Retirement System | 137 |
| Sheriffs' Pension & Relief Fund | 1,092 |
| Teachers' Retirement System | <u>2,184</u> |
| Total | <u>\$ 6,171</u> |

Instead, the \$6,171 has been presented as intergovernmental expenditures on Exhibit D. In contrast, for purposes of the government-wide Statement of Activities (Exhibit B), property tax revenues of \$177,383 were reduced by the \$6,171 of on-behalf payments to present a net amount of \$171,212 for general revenues. See Note 10 to these financial statements for more information.

Note 4 - Cash Management and Deposits

The Council maintains a consolidated operating bank account at First Guaranty Bank, 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 maintains a \$200 petty cash fund to pay for small, unexpected expenses that might arise during daily operations.

Exhibit F (Continued)

Note 4 - Cash Management and Deposits - (Continued)

The Council's policy is to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance. Currently, only the first \$250,000 of deposits at each bank are covered by FDIC insurance. At year-end, all of the bank balances were insured 100% by federal depository insurance thereby making them a Category 1 type credit risk.

| <u>Cash</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Interest Rate</u> | <u>Maturity</u> | <u>Credit Risk Category</u> |
|----------------------|------------------|-------------------|----------------------|-----------------|-----------------------------|
| Cash: | | | | | |
| First Guaranty Bank | \$ 12,638 | \$ 12,638 | None | Demand | Category 1 |
| Petty Cash | 200 | 200 | None | N/A | None |
| Total Cash | 12,838 | 12,838 | | | |
| Unrestricted Purpose | \$ 5,655 | | | | |
| Restricted Purpose: | | | | | |
| Material Aid | 4,643 | | | | |
| Utility Assistance | 2,540 | | | | |
| Total Cash | \$ 12,838 | | | | |

The Council had no asset that would be classified as an investment at year-end.

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.

At year end, the Council had following government grants and contracts receivable:

- \$15,384 from the St. Helena Parish Police Jury relating to amounts reimbursable under the Section 5311 rural transportation grant (which originates with DOTD).

Exhibit F (Continued)

Note 6 - Prepaid Expenditures and Expenses

At year-end, prepaid expenditures in the fund Balance Sheet consisted of the following:

| | |
|----------------------------|------------------------|
| Lantec Training | <u>\$ 2,980</u> |
| Total prepaid expenditures | <u><u>\$ 2,980</u></u> |

At year-end, prepaid expenses in the Statement of Net Position consisted of the following:

| | <u>Current Portion</u> | <u>Noncurrent Portion</u> |
|---------------------------|----------------------------|-------------------------------|
| Lantec Training | \$ 2,980 | \$ - |
| Unamortized vehicle usage | <u>5,992</u> | <u>13,707</u> |
| Total prepaid expenses | <u><u>\$ 8,972</u></u> | <u><u>\$ 13,707</u></u> |

The current portion of prepaid expenses represents the amount that management expects the Council to consume and economically benefit from in the next fiscal year. The noncurrent portion represents the amount that will be amortized in future years.

The difference, if any, between prepaid expenditures and prepaid expenses arises from transactions wherein the Council has put up (in previous years) *matching funds* under capital assistance grants the St. Helena Parish Police Jury (PJ) entered into with the Louisiana Department of Transportation and Development (DOTD) to acquire vehicles. The vehicles are titled in the name of the PJ, but the Council uses the vehicles for its transportation programs and must pay for all the operating costs. The funds the Council expends as *matching funds* are first recorded as van deposits in its fund Balance Sheet when the funds are remitted to DOTD. Upon delivery of the vehicles to the COA, the deposits are reversed as intergovernmental expenditures in the Council's fund financial statements. However, in the government-wide financial statements, the *matching funds* are classified as prepaid expenses and amortized over the estimated useful lives of the vehicles (100,000 miles - approximately 60 months). The Council's management believes presenting the matching transactions in this manner in the government-wide financial statements best presents the economics of the transactions. No written lease exists between the PJ and the Council that sets forth the terms of the agreement to use the PJ's vehicles. However, this type of cooperative endeavor agreement to provide similar general public transportation in other parishes in Louisiana has been used for many years.

Exhibit F (Continued)

Note 7 - Changes in Capital Assets and Accumulated Depreciation

A summary of changes in capital assets that are being depreciated and their related accumulated depreciation is as follows:

| Capital Assets Being Depreciated | June 30, 2016 | Additions | Decreases | June 30, 2017 |
|-------------------------------------|------------------|------------|-----------|------------------|
| Vehicles | \$ 59,777 | 4,816 | (4,027) | \$ 60,566 |
| Office furniture and equipment | 10,224 | 0 | 0 | 10,224 |
| Total Capital Assets | 70,001 | 4,816 | (4,027) | 70,790 |
| Less Accumulated Depreciation: | | | | |
| Vehicles | 21,756 | 11,881 | (4,027) | 29,610 |
| Office furniture and equipment | 8,070 | 1,073 | 0 | 9,143 |
| Total Accumulated Depreciation | 29,826 | 12,954 | (4,027) | 38,753 |
| Capital Assets Net of Depreciation | \$ 40,175 | \$ (8,138) | \$ 0 | \$ 32,037 |

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

Depreciation was charged to governmental activities in Exhibit B as follows:

| | |
|---|------------------|
| Administration | \$ 790 |
| Supportive Services: | |
| Transportation of the elderly | 5,464 |
| Nutrition Services: | |
| Congregate meals | 283 |
| Home delivered meals | 5,651 |
| Transportation of the nonelderly | 766 |
| Total depreciation expense for governmental activities | <u>\$ 12,954</u> |

The \$790 of depreciation associated with the administration function relates to capital assets that essentially serve all functions. Accordingly, it is included as a direct expense of the administration function on the Statement of Activities and then allocated to other functions in accordance with the Council's method of allocating indirect expenses. The other depreciation amounts (\$12,164) are charged as direct expenses to their related functions on the Statement of Activities.

The Council also owns land in the amount of \$88,898, which is not subject to depreciation. Management believes this land can be used in future years to expand services to the

elderly, but presently there are no immediate plans to use this land.

Note 8 - Long-term Liabilities

On November 24, 2015 the Council purchased land for a total cost of \$88,898, of which \$70,975 was financed with proceeds from a loan from Peoples Bank and Trust Company of Pointe Coupee. The terms of the loan require the Council to pay \$490.33 monthly for 59 months beginning December 24, 2015 with a balloon payment of \$60,304 due November 24, 2020. The loan bears interest at an annual rate of 5.549% and the land is the security for the loan. The interest paid this year on the note was \$4,096.

The loan activity of the fiscal year is as follows:

| | |
|--------------------|------------------|
| Beginning balance | \$ 69,779 |
| Principal payments | <u>(2,278)</u> |
| Ending balance | <u>\$ 67,501</u> |

Future maturities of the principal balance on this note payable is as follows:

| | |
|---------|------------------|
| FY 2018 | \$ 1,997 |
| FY 2019 | 2,303 |
| FY 2020 | 2,424 |
| FY 2021 | <u>60,777</u> |
| Total | <u>\$ 67,501</u> |

Note 9 - Fund Balances - Fund Financial Statements

At year-end, no special revenue funds had any remaining fund balance. The fund balances of the special revenue funds are cleared out at year-end to comply with the administration and accounting policies of the grantor agencies that have awarded the Council certain grants.

The Council's General Fund had a fund balance at year-end of \$34,916. The composition of the fund balance is presented on the face of Exhibit C - Fund Balance Sheet.

Note 10 - On-Behalf Payments for Fringe Benefits

Because the Council is one of several governmental agencies receiving proceeds from a property tax assessment, state law (Revised Statute 11:82) requires the Council to bear a pro-rata share of the pension expense relating to various statewide public retirement systems (see Note 3 for a detailed list). The Council's pro-rata share of the required contribution was \$6,171 that was withheld by the St. Helena Parish Sheriff from property tax collections to satisfy the Council's obligation. The Sheriff withholds the entire amount of this obligation in December each year even though some of the property taxes may never be collected. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

Note 11 - In-Kind Contributions

The Council received a variety of in-kind contributions during the year, but does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

The in-kind contributions that the Council received during the year consisted primarily of free rent and utilities relating to the use of the main administration office in Greensburg and senior centers at Turner Chapel and Dennis Mills. These contributions were not valued.

Note 12 - Board of Directors' Compensation

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

Exhibit F (Continued)

Note 13 - 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. The Council is also exempt from Louisiana income tax.

The Council does not file a Form 990 because the Internal Revenue Service has determined the Council to be an *affiliate of a governmental unit* within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 14 - Judgments, 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 15 - 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.

Exhibit F (Continued)

Note 16 - Economic Dependency

The Council receives the majority of its revenue from other governments in the form of intergovernmental revenues. Intergovernmental type revenues 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 next year relating to its usual sources of intergovernmental revenues.

The Council also receives a significant amount of revenue from its property tax. If the property in St. Helena Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected. Management is not aware of any actions or events that will adversely affect next year's property tax revenue

Note 17 - 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 (workman's compensation insurance); 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 and earthquakes.

The Council does not provide any type of personal health insurance coverage to its employees.

Exhibit F (Continued)

Note 18 - Interfund Receivables and Payables - Fund Financial Statements

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

| | <u>Receivable From</u> | <u>Payable To</u> |
|-----------------------------|----------------------------|-----------------------|
| General Fund: | | |
| Major Funds: | | |
| Title III B | \$ 11,833 | \$ 0 |
| Totals for the General Fund | <u>\$ 11,833</u> | <u>\$ 0</u> |
| Special Revenue Funds: | | |
| Major Funds: | | |
| Title III B: | | |
| General Fund | \$ 0 | \$ 11,833 |
| Totals for All Funds | <u>\$ 11,833</u> | <u>\$ 11,833</u> |

Exhibit F (Continued)

Note 19 - Interfund Transfers

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

| | Operating Transfers | |
|---|---------------------|------------|
| | In From | Out To |
| General Fund: | | |
| Title III B Fund | \$ 0 | \$ 148,500 |
| Title III C-1 Fund | 0 | 60,472 |
| Title III C-2 Fund | 0 | 78,112 |
| Nonmajor Funds in the Aggregate | 0 | 44 |
| Total General Fund | 0 | 287,128 |
| Title III B - Fund: | | |
| General Fund - local funds | \$ 148,500 | \$ 0 |
| Total Title III B Fund | 148,500 | 0 |
| Title III C-1 Fund: | | |
| General Fund - Senior Center grant | \$ 25,000 | \$ 0 |
| General Fund - Sup. Senior Center grant 1 | 3,100 | 0 |
| General Fund - Sup. Senior Center grant 2 | 7,813 | 0 |
| General Fund - local funds | 24,559 | 0 |
| Total Title III C-1 Fund | 60,472 | 0 |
| Title III C-2 - Fund: | | |
| General Fund - local funds | \$ 40,612 | \$ 0 |
| General Fund - PCOA regular grant | 37,500 | 0 |
| Total Title III C-2 Fund | 78,112 | 0 |
| Nonmajor Funds in the Aggregate: | | |
| General Fund | \$ 44 | \$ 0 |
| Total for Nonmajor Funds | 44 | 0 |
| Grand Totals | \$ 287,128 | \$ 287,128 |

Transfers are used (a) to 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 (b) to shift unrestricted revenues collected in the General Fund and certain Special Revenue Funds to finance various programs accounted for in other funds and to eliminate program deficits.

Transfers are eliminated as part of the consolidation process in preparing the government-wide financial statements.

Note 20 - Related Party Transactions

There were no related party transactions during the fiscal year.

Note 21 - Subsequent Events

Management has evaluated subsequent events through December 18, 2017, which is the date the financial statements were available to be issued. There were no events that required disclosure.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

Budgetary Comparison Schedule - General Fund
St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|--|-------------------------|---------------------------|-------------------------------|
| | Original (Unamended) | Modified Accrual Basis | Favorable (Unfavorable) |
| <u>REVENUES</u> | | | |
| Intergovernmental: | | | |
| Governor's Office of Elderly Affairs | | | |
| PCOA | \$ 37,500 | \$ 37,500 | \$ 0 |
| Senior Center | 25,000 | 25,000 | 0 |
| Supplemental Senior Center 1 | 3,100 | 3,100 | 0 |
| Supplemental Senior Center 2 | 7,812 | 7,813 | 1 |
| MIPPA | 1,800 | 1,800 | 0 |
| St. Helena Parish Police Jury - Section 5311 funds | 7,450 | 4,897 | (2,553) |
| Property Tax | 200,000 | 177,383 | (22,617) |
| Program Service Fees - cash fares for transportation | 10,800 | 7,081 | (3,719) |
| Public Support | 3,800 | 8,093 | 4,293 |
| Interest Income | 0 | 348 | 348 |
| Miscellaneous | 2,400 | 1,921 | (479) |
| Total revenues | <u>299,662</u> | <u>274,936</u> | <u>(24,726)</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Personnel | 11,894 | 11,758 | 136 |
| Fringe | 936 | 1,025 | (89) |
| Travel | 212 | 112 | 100 |
| Operating Services | 3,887 | 8,277 | (4,390) |
| Operating Supplies | 2,189 | 3,050 | (861) |
| Other Costs | 7,728 | 7,514 | 214 |
| Meals | 0 | 0 | 0 |
| Capital Outlay | 0 | 4,816 | (4,816) |
| Intergovernmental: | | | |
| Retirement Plan Payments | 0 | 6,171 | (6,171) |
| Debt Service | 5,880 | 6,374 | (494) |
| Total expenditures | <u>32,726</u> | <u>49,097</u> | <u>(16,371)</u> |
| Excess of revenues over expenditures | <u>266,936</u> | <u>225,839</u> | <u>(41,097)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 0 | 0 | 0 |
| Transfers out | (294,175) | (287,128) | 7,047 |
| Total other financing sources (uses) | <u>(294,175)</u> | <u>(287,128)</u> | <u>7,047</u> |
| Net increase (decrease) in fund balance | <u>\$ (27,239)</u> | <u>(61,289)</u> | <u>\$ (34,050)</u> |
| <u>FUND BALANCE</u> | | | |
| Beginning of year | | 96,205 | |
| End of year | | <u>\$ 34,916</u> | |

See independent accountant's review report.

Budgetary Comparison Schedule - Title III B Fund

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|---------------------------------|-----------------------------------|---------------------------------------|
| | <u>Original (Unamended)</u> | <u>Modified Accrual Basis</u> | <u>Favorable (Unfavorable)</u> |
| <u>REVENUES</u> | | | |
| Intergovernmental: | | | |
| Capital Area Agency on Aging | \$ 30,638 | \$ 30,638 | \$ 0 |
| St. Helena Parish Police Jury - (Section 5311) | 67,050 | 67,657 | 607 |
| Restricted Public Support - client contributions | 2,500 | 2,557 | 57 |
| Total revenues | <u>100,188</u> | <u>100,852</u> | <u>664</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Personnel | 121,519 | 143,661 | (22,142) |
| Fringe | 9,560 | 12,486 | (2,926) |
| Travel | 2,166 | 2,824 | (658) |
| Operating Services | 49,724 | 46,522 | 3,202 |
| Operating Supplies | 20,695 | 31,086 | (10,391) |
| Other Costs | 3,983 | 5,281 | (1,298) |
| Full Service | 7,282 | 7,492 | (7,492) |
| Capital Outlay | 0 | 0 | 0 |
| Total expenditures | <u>214,929</u> | <u>249,352</u> | <u>(41,705)</u> |
| Excess of expenditures over revenues | <u>(114,741)</u> | <u>(148,500)</u> | <u>(41,041)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 114,741 | 148,500 | 33,759 |
| Transfers out | 0 | 0 | 0 |
| Total other financing sources (uses) | <u>114,741</u> | <u>148,500</u> | <u>33,759</u> |
| Net increase (decrease) in fund balance | <u>\$ 0</u> | <u>0</u> | <u>\$ (7,282)</u> |
| <u>FUND BALANCE</u> | | | |
| Beginning of year | | 0 | |
| End of year | | <u>\$ 0</u> | |

See independent accountant's review report.

Budgetary Comparison Schedule - Title III C-1 Fund

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|---------------------------------|-----------------------------------|---------------------------------------|
| | <u>Original (Unamended)</u> | <u>Modified Accrual Basis</u> | <u>Favorable (Unfavorable)</u> |
| <u>REVENUES</u> | | | |
| Intergovernmental: | | | |
| Capital Area Agency on Aging | \$ 8,866 | \$ 8,866 | \$ 0 |
| Louisiana Rehabilitation Services | 0 | 8,619 | 8,619 |
| Restricted Public Support - client contributions | 9,000 | 8,901 | (99) |
| Guest Meal Fees | 150 | 0 | (150) |
| Miscellaneous - Alternate vendor | 100 | 119 | 19 |
| | <u>18,116</u> | <u>26,505</u> | <u>8,389</u> |
| Total revenues | | | |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Personnel | 62,482 | 54,580 | 7,902 |
| Fringe | 4,915 | 4,743 | 172 |
| Travel | 1,113 | 680 | 433 |
| Operating Services | 11,149 | 11,089 | 60 |
| Operating Supplies | 3,447 | 2,253 | 1,194 |
| Other Costs | 1,274 | 3,333 | (2,059) |
| Meals | 29,150 | 10,299 | 18,851 |
| Capital Outlay | | 0 | 0 |
| | <u>113,530</u> | <u>86,977</u> | <u>26,553</u> |
| Total expenditures | | | |
| | <u>(95,414)</u> | <u>(60,472)</u> | <u>34,942</u> |
| Excess of expenditures over revenues | | | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 95,414 | 60,472 | (34,942) |
| Transfers out | 0 | 0 | 0 |
| | <u>95,414</u> | <u>60,472</u> | <u>(34,942)</u> |
| Total other financing sources (uses) | | | |
| | <u>\$ 0</u> | <u>0</u> | <u>\$ 0</u> |
| Net increase (decrease) in fund balance | | | |
| <u>FUND BALANCE</u> | | | |
| Beginning of year | | <u>0</u> | |
| End of year | | <u>\$ 0</u> | |

See independent accountant's review report.

Budgetary Comparison Schedule - Title III C-2 Fund

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | <u>Budgeted Amounts</u> | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--|---------------------------------|-----------------------------------|---------------------------------------|
| | <u>Original (Unamended)</u> | <u>Modified Accrual Basis</u> | <u>Favorable (Unfavorable)</u> |
| <u>REVENUES</u> | | | |
| Intergovernmental: | | | |
| Capital Area Agency on Aging | \$ 24,378 | \$ 24,378 | \$ 0 |
| Restricted Public Support - client contributions | 3,500 | 3,556 | 56 |
| Total revenues | <u>27,878</u> | <u>27,934</u> | <u>56</u> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Personnel | 55,993 | 35,159 | 20,834 |
| Fringe | 4,405 | 3,027 | 1,378 |
| Travel | 998 | 214 | 784 |
| Operating Services | 7,423 | 10,593 | (3,170) |
| Operating Supplies | 2,428 | 3,598 | (1,170) |
| Other Costs | 891 | 1,011 | (120) |
| Meals | 39,500 | 52,444 | (12,944) |
| Capital Outlay | 0 | 0 | 0 |
| Total expenditures | <u>111,638</u> | <u>106,046</u> | <u>5,592</u> |
| Excess of expenditures over revenues | <u>(83,760)</u> | <u>(78,112)</u> | <u>5,648</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Transfers in | 83,760 | 78,112 | (5,648) |
| Transfers out | 0 | 0 | 0 |
| Total other financing sources (uses) | <u>83,760</u> | <u>78,112</u> | <u>(5,648)</u> |
| Net increase (decrease) in fund balance | <u>\$ 0</u> | <u>0</u> | <u>\$ 0</u> |
| <u>FUND BALANCE</u> | | | |
| Beginning of year | | <u>0</u> | |
| End of year | | <u>\$ 0</u> | |

See independent accountant's review report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

**St. Helena Council of Aging, Inc.
Greensburg, Louisiana
For the Year Ended June 30, 2017**

Note 1 - Budgetary Reporting

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.

- The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from GOEA and other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management makes projections of property tax revenues based on past trends and data available at the Parish Assessor's office to form expectations of future revenues.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information regarding projected revenues and expenditures has been obtained, the Council's executive director and bookkeeper 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 meeting before May 31 of the current fiscal year.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
(Continued)

Note 1 - Budgetary Reporting- (continued)

- The adopted budget is forwarded to CAAA for compliance approval for the funds it will pass through to the Council from GOEA.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management 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 a federal matching program. The *match* might be made in one year and the vehicle delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting for governmental funds, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying required supplementary information include the original adopted budget amounts and all subsequent amendments. During the fiscal year management did not amend the 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 CAAA and the Governor's Office of Elderly Affairs for funds received under grants and contracts from these agencies. As a part of their compliance, CAAA and GOEA require management to amend the budget in cases where actual expenditures for a particular line item exceed their budgeted amount by more than 10%, unless unrestricted funds are available to *cover* the overrun.
- Budgeted expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.

(Continued)

Note 1 - Budgetary Reporting- (continued)

- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY FINANCIAL INFORMATION FOR GOEA ANALYSIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | Title III E Fund | Totals |
|--|---------------------|--------|
| <u>REVENUES</u> | | |
| Intergovernmental: | | |
| Capital Area Agency on Aging (CAAA) | \$ 150 | \$ 150 |
| Total revenues | 150 | 150 |
| <u>EXPENDITURES</u> | | |
| Health, Welfare, & Social Services: | | |
| Current: | | |
| Personnel | 160 | 160 |
| Fringe | 13 | 13 |
| Travel | 1 | 1 |
| Operating Services | 15 | 15 |
| Operating Supplies | 1 | 1 |
| Other Costs | 4 | 4 |
| Utility Assistance | 0 | 0 |
| Total expenditures | 194 | 194 |
| Excess of revenues over (under) expenditures | (44) | (44) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Operating transfers in | 44 | 44 |
| Operating transfers out | 0 | 0 |
| Total other financing sources (uses) | 44 | 44 |
| Net increase (decrease) in fund balances | 0 | 0 |
| <u>FUND BALANCE (DEFICIT)</u> | | |
| Beginning of year | 0 | 0 |
| End of year | \$ 0 | \$ 0 |

See Independent Accountant's Review Report.

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

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
For the year ending June 30, 2017

| | Balance June 30, 2016 | Additions | Deletions | Balance June 30, 2017 |
|--|-----------------------------|-----------------|-------------------|-----------------------------|
| <u>Capital Assets</u> | | | | |
| Land | \$ 88,898 | \$ 0 | \$ 0 | \$ 88,898 |
| Vehicles | 59,777 | 4,816 | (4,027) | 60,566 |
| Office furniture and equipment | 10,224 | 0 | 0 | 10,224 |
| Total capital assets | <u>\$ 158,899</u> | <u>\$ 4,816</u> | <u>\$ (4,027)</u> | <u>\$ 159,688</u> |
| <u>Investment in Capital Assets</u> | | | | |
| Property acquired with funds from - | | | | |
| PCOA | \$ 62,019 | \$ 0 | \$ (2,537) | \$ 59,482 |
| Local | 96,880 | 4,816 | (1,490) | 100,206 |
| Total investment in capital assets | <u>\$ 158,899</u> | <u>\$ 4,816</u> | <u>\$ (4,027)</u> | <u>\$ 159,688</u> |

See Independent Accountant's Review Report.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY LOUISIANA LAW

Schedule of Compensation, Benefits and Other Payments to the
Council's Executive Director

St.Helena Council on Aging, Inc.
Greensburg, Louisiana
For the year ended June 30, 2017

Executive Director's Name: James Robb

| Purpose | Amount |
|--|--------------|
| Salary | \$ 35,109.88 |
| Benefits-insurance (health and life) | |
| Benefits-retirement | |
| Benefits-other (describe) | |
| Benefits-other (describe) | |
| Benefits-other (describe) | |
| Car allowance | |
| Vehicle provided by government (enter amount reported on W-2) | |
| Per diem | |
| Reimbursements | 126.30 |
| Travel - mileage reimbursements for using personal car on Council business | 1,068.08 |
| Registration fees | 191.57 |
| Conference travel | |
| Housing | |
| Unvouchered expenses (example: travel advances, etc.) | |
| Special meals | |
| Other | |

See Independent Accountant's Review Report.

CHARLES P. HEBERT, CPA

CHRISTOPHER S. JOHNSON, CPA, MBA

MEMBER

American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants



18435 HWY. 22
P.O. BOX 1151
PONCHATOULA, LA 70454
(985) 386-5740 • FAX (985) 386-5742

29644 SOUTH MONTPELIER AVE., STE. B
P.O. BOX 520
ALBANY, LA 70711
(225) 209-6627 • FAX (225) 209-6625

Phil Hebert, CPA

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of St. Helena Council on the Aging, Inc., the Legislative Auditor of the State of Louisiana, and applicable state grantor agencies

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of St. Helena Council on the Aging, Inc., the Legislative Auditor of the State of Louisiana, and applicable state grantor agencies solely to assist the users in evaluating management's assertions about St. Helena Council on the Aging, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2017 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the St. Helena Council on the Aging, Inc. is responsible for the Council's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the 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.

Federal, State, and Local Awards

1. Determine the amount of the Federal, state, and local award expenditures for the fiscal year, by grant and grant year.

There were no local grants. The federal and state grants were as follows:

| <u>Federal, State, or Local Grant Name</u> | <u>Grant Year</u> | <u>CFDA No. (If Applicable)</u> | <u>Amount</u> |
|--|-------------------|---------------------------------|-------------------|
| U.S. Department of Health & Human Services | | | |
| Passed thru Governor's Office of Elderly Affairs | | | |
| Title III-B | 2016-2017 | 93.044 | \$ 30,638 |
| Title III-C-1 | 2016-2017 | 93.045 | 8,866 |
| Title III-C-2 | 2016-2017 | 93.045 | 24,378 |
| Title III-E-3 | 2016-2017 | 93.052 | 150 |
| Department of Transportation | | | |
| Passed thru Louisiana Department of Transportation and Development | | | |
| Public Transportation Operating Assistance Program | | 20.509 | 72,555 |
| <u>State:</u> | | | |
| Governor's Office of Elderly Affairs | | | |
| Senior Center | | | 25,000 |
| Supplemental Senior Center | | | 10,912 |
| PCOA | | | 37,500 |
| Total Expenditures | | | <u>\$ 209,999</u> |

- For each federal, state, and local grant award, randomly select six disbursements from each grant administered during the fiscal year, provided that no more than 30 disbursements are selected.

For each award, 6 disbursements were selected for review.

- Obtain documentation for the disbursements selected in Procedure 2. Compare the selected disbursements to supporting documentation, and report whether the disbursements agree to the amount and payee in the supporting documentation.

We examined supporting documentation for each of the 6 selected disbursements and found that payment was for the proper amount and made to the correct payee.

4. Report whether the selected disbursements were coded to the correct fund and general ledger account.

All of the 6 disbursements were properly coded to the correct fund and general ledger account.

5. Report whether the selected disbursements were approved in accordance with the Agency's policies and procedures.

The disbursements were approved in accordance with the Council on the Aging's policies and procedures.

6. For each selected disbursement made for federal grant awards, obtain the *Compliance Supplement* for the applicable federal program. For each disbursement made for a state or local grant award, or for a federal program not included in the *Compliance Supplement*, obtain the grant agreement. Compare the documentation for each disbursement to the program compliance requirements or the requirements of the grant agreement relating to activities allowed or unallowed, eligibility, and reporting; and report whether the disbursements comply with these requirements.

All items tested complied with the allowability, eligibility, and reporting requirements.

7. Obtain the close-out reports, if required, for any program selected in Procedure 2 that was closed out during the fiscal year. Compare the close-out reports, if applicable, with the Agency's financial records; and report whether the amounts in the close-out reports agree with the Agency's financial records.

The Council on the Aging does not have any close-out reports.

8. Obtain evidence from management that agendas for meetings recorded in the minute book were posted as required by Louisiana Revised Statute 42:11 through 42:28 (the open meetings law), and report whether there are any exceptions.

Management provided me with copies of the agendas that were posted on the office of the Council on the Aging.

Budget

9. For each grant exceeding five thousand dollars, obtain the comprehensive grant budgets that the agency provided to the applicable federal, state or local grantor agency. Report whether the budgets for federal, state and local grants included the purpose and duration of the grants; and whether budgets for state grants also included specific goals, objectives, and measures of performance.

The Council provided comprehensive budgets to the applicable state grantor agencies for the programs mentioned previously. These budgets specified the anticipated use of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior-Year Comments

10. Obtain and report management's representation as to whether any prior year suggestions, recommendations, and/or comments have been resolved.

In the previous year, the general fund expenditures were more than budgeted expenditures by more than 5%. For the current year, actual revenues were less than budgeted revenues by more than 5% in the general fund. In Title III-B, actual expenditures were more than budgeted expenditures by more than 5%.

We were not engaged to perform and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of St. Helena Council on the Aging, Inc., the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Phil Hebert

Phil Hebert, CPA
A Professional Accounting Corporation
Ponchatoula, Louisiana
December 18, 2017

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Current Year Findings and Responses
June 30, 2017

2017-01 Compliance with Local Government Budget Act

Condition:

For the year ended June 30, 2017, the General Fund actual revenues were less than budgeted revenues by more than 5%. For the Title III-B Fund, the actual expenditures were more than the budgeted expenditures by more than 5%.

Criteria:

The Louisiana Local Government Budget Act, LA R.S. 39:1301-1315, specifies that actual revenues should not be less than budgeted revenues by more than 5%, and actual expenditures should not exceed budgeted expenditures by more than 5%.

Cause:

Management did not take steps to amend budgets during the year.

Effect:

The Council on Aging is not in compliance with the Local Government Budget Act.

Recommendation:

Management should implement a plan whereby expenditures and revenues are monitored on a continuous basis, and amend the budgets as needed during the period.

Management's Response:

Management will monitor actual revenues and expenditures more closely and compare to budgeted amounts frequently and amend the budget as needed. Management will seek assistance from outside accountant to assist with compliance, if needed.

St. Helena Council on the Aging, Inc.
Greensburg, Louisiana
Schedule of Prior Year Findings
June 30, 2017

Condition:

For the year ended June 30, 2016, the General Fund actual expenditures were more than budgeted expenditures by more than the 5% variance allowed.

Recommendation:

Management should implement a plan whereby expenditures and revenues are monitored on a continuous basis, and amend the budgets as needed during the period.

Resolved: See Finding 2017-01

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

12/17/2017 (Date Transmitted)

Phil Hebert CPA
PO Box 1151
Ponchatoula LA 70454

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2017 and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes [x] No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes [x] No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes [x] No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes [x] No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "Open Meeting FAQs," available on the Legislative Auditor's website at <http://app1.la.state.la.us/llala.nsf>, to determine whether a non-profit agency is subject to the open meetings law.**

Yes [x] No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes [x] No []

Reporting

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer

Yes [x] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes No

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes No

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes No

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes No

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes No

The previous responses have been made to the best of our belief and knowledge.

| | | | |
|--------------------|-----------|-----------------|------|
| <u>Martha Mire</u> | Secretary | <u>11-29-17</u> | Date |
| <u>Martha Mire</u> | Treasurer | <u>11/29/17</u> | Date |
| _____ | President | _____ | Date |