

BEAUREGARD COUNCIL ON AGING, INC.
DERIDDER, LOUISIANA

ANNUAL FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Beauregard Council on Aging, Inc.
DeRidder, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information, on pages 26 - 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Beauregard Council on Aging, Inc.'s basic financial statements. The schedule of non-major special revenue funds combining statement of revenues and expenditures, comparative schedule of general fund fixed assets and changes in general fixed assets, and schedule of compensation, benefits and other payments to agency head are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 11, 2018, on our consideration of Beauregard Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Beauregard Council on Aging, Inc.'s internal control over financial reporting and compliance.

Handwritten signature of Jerome D. Windham, CPA in black ink.

DeRidder, Louisiana
September 11, 2018

BASIC FINANCIAL STATEMENTS

Statement of Net Position
June 30, 2018

| ASSETS | |
|--|--------------------------|
| Current Assets | |
| Cash and cash equivalents | \$ <u>146,164</u> |
| Restricted Assets | |
| Cash | \$ <u>27,996</u> |
| Noncurrent Assets | |
| Capital assets, net | \$ <u>32,269</u> |
| Total assets | \$ <u><u>206,429</u></u> |
| LIABILITIES | |
| Current Liabilities Payable From Restricted Assets | |
| Accounts payable | \$ <u>245</u> |
| NET POSITION | |
| Net investment in capital assets | \$ 32,269 |
| Unrestricted | 146,164 |
| Restricted | <u>27,751</u> |
| Total net position | \$ <u>206,184</u> |
| Total liabilities and net position | \$ <u><u>206,429</u></u> |

The accompanying notes are an integral part of this statement.

Statement of Activities
For the Year Ended June 30, 2018

| | Expenses | Program Revenues | | | Net (Expenses) Revenues and Changes in Net Position |
|-----------------------------------|-------------------|-------------------------|---------------------------------|---------------------------------------|--|
| | | Charges for Services | Fees Generated by Fundraiser | Operating Grants and Contributions | Program Services |
| Program Services: | | | | | |
| General government | \$ 13,638 | \$ - | \$ 7,328 | \$ 55,806 | \$ 49,496 |
| AAA fund | 28,462 | - | - | 28,462 | - |
| Title III C-1 fund | 86,437 | 1,960 | - | 39,776 | (44,701) |
| Title III C-2 fund | 184,104 | 5,444 | - | 83,630 | (95,030) |
| Utility assistance fund | 1,352 | - | - | 1,520 | 168 |
| Title III B fund | 94,834 | 1,212 | - | 68,688 | (24,934) |
| Title III D fund | 6,556 | - | - | 5,692 | (864) |
| Title III E fund | 27,155 | - | - | 26,740 | (415) |
| Senior center fund | 44,729 | - | - | 46,810 | 2,081 |
| Supplemental senior center fund | - | - | - | 10,912 | 10,912 |
| United Way | - | - | - | 62,834 | 62,834 |
| NSIP fund | - | - | - | 29,814 | 29,814 |
| Total program services | \$ 487,267 | \$ 8,616 | \$ 7,328 | \$ 460,684 | \$ (10,639) |
| General revenues: | | | | | |
| Investment income | | | | | \$ 223 |
| Dividend income | | | | | 1,960 |
| Loss on disposal of asset | | | | | (4,437) |
| | | | | Total general revenues | (2,254) |
| | | | | Change in net position | (12,893) |
| Net position at beginning of year | | | | | 219,077 |
| Net position at end of year | | | | | <u>\$ 206,184</u> |

The accompanying notes are an integral part of this statement.

Balance Sheet
Governmental Funds
June 30, 2018

| ASSETS | <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Total</u> |
|--|---------------------|----------------------------------|-------------------|
| Current Assets | | | |
| Cash and cash equivalents | \$ 146,164 | \$ - | \$ 146,164 |
| Restricted Assets | | | |
| Cash | \$ - | \$ 27,996 | \$ 27,996 |
| Total assets | <u>\$ 146,164</u> | <u>\$ 27,996</u> | <u>\$ 174,160</u> |
| LIABILITIES | | | |
| Current Liabilities Payable From Restricted Assets | | | |
| Accounts payable | \$ - | \$ 245 | \$ 245 |
| FUND BALANCES | | | |
| Fund Balances: | | | |
| Unassigned | \$ 146,164 | \$ - | \$ 146,164 |
| Restricted | <u>-</u> | <u>27,751</u> | <u>27,751</u> |
| Total fund balances | <u>\$ 146,164</u> | <u>\$ 27,751</u> | <u>\$ 173,915</u> |
| Total liabilities and fund balances | <u>\$ 146,164</u> | <u>\$ 27,996</u> | <u>\$ 174,160</u> |

The accompanying notes are an integral part of this statement.

Reconciliation of the Governmental Funds Balance Sheet
to Statement of Net Position
June 30, 2018

| | |
|---|--------------------------|
| Total fund balance - total governmental funds | \$ 173,915 |
| 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 in the governmental funds balance sheets. | <u>32,269</u> |
| Net position of governmental activities | <u><u>\$ 206,184</u></u> |

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

| | <u>General Fund</u> | <u>Title III C-1 Fund</u> | <u>Title III C-2 Fund</u> | <u>Title III B Fund</u> | <u>United Way</u> | <u>Senior Center</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--------------------------------------|---------------------|-------------------------------|-------------------------------|-----------------------------|-------------------|----------------------|--------------------|--------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | | | | | | | | |
| Governor's Office of Elderly Affairs | \$ 37,500 | \$ 39,583 | \$ 83,630 | \$ 63,850 | \$ - | \$ 43,731 | \$ 99,051 | \$ 367,345 |
| United Way of America | - | - | - | - | 62,834 | - | - | 62,834 |
| Public support | | | | | | | | |
| Public donations | 18,306 | - | - | - | - | - | - | 18,306 |
| Participant contributions | - | 1,960 | 5,444 | 1,212 | - | - | - | 8,616 |
| Utility assistance | - | - | - | - | - | - | 1,520 | 1,520 |
| In-kind support | - | 193 | - | 4,838 | - | 3,079 | 2,569 | 10,679 |
| Fundraising | 7,328 | - | - | - | - | - | - | 7,328 |
| Interest income | 223 | - | - | - | - | - | - | 223 |
| Dividend income | 1,960 | - | - | - | - | - | - | 1,960 |
| | <u>\$ 65,317</u> | <u>\$ 41,736</u> | <u>\$ 89,074</u> | <u>\$ 69,900</u> | <u>\$ 62,834</u> | <u>\$ 46,810</u> | <u>\$ 103,140</u> | <u>\$ 478,811</u> |
| Total revenues | \$ 65,317 | \$ 41,736 | \$ 89,074 | \$ 69,900 | \$ 62,834 | \$ 46,810 | \$ 103,140 | \$ 478,811 |

(Continued)

The accompanying notes are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

| | <u>General Fund</u> | <u>Title III C-1 Fund</u> | <u>Title III C-2 Fund</u> | <u>Title III-B Fund</u> | <u>United Way</u> | <u>Senior Center</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|---------------------|-------------------------------|-------------------------------|-----------------------------|--------------------|----------------------|--------------------|--------------------|
| EXPENDITURES | | | | | | | | |
| Program services: | | | | | | | | |
| Health, Welfare and Social Services | | | | | | | | |
| Salaries and benefits | \$ - | \$ 21,172 | \$ 21,172 | \$ 67,100 | \$ - | \$ 32,121 | \$ 26,997 | \$ 168,562 |
| Travel | - | 135 | 135 | 46 | - | 41 | 11 | 368 |
| Operating services | 11,427 | 3,363 | 3,469 | 14,096 | - | 8,373 | 32,348 | 73,076 |
| In-kind operating services | - | 193 | - | 4,838 | - | 3,079 | 2,569 | 10,679 |
| Operating supplies | 714 | 613 | 508 | 2,216 | - | 1,115 | 1,600 | 6,766 |
| Other - meals | - | 60,961 | 158,820 | - | - | - | - | 219,781 |
| Capital outlay | 18,706 | - | - | - | - | - | - | 18,706 |
| Total expenditures | <u>\$ 30,847</u> | <u>\$ 86,437</u> | <u>\$ 184,104</u> | <u>\$ 88,296</u> | <u>\$ -</u> | <u>\$ 44,729</u> | <u>\$ 63,525</u> | <u>\$ 497,938</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 34,470</u> | <u>\$ (44,701)</u> | <u>\$ (95,030)</u> | <u>\$ (18,396)</u> | <u>\$ 62,834</u> | <u>\$ 2,081</u> | <u>\$ 39,615</u> | <u>\$ (19,127)</u> |
| Other financing sources (uses) | | | | | | | | |
| Operating transfers in | \$ - | \$ 44,701 | \$ 95,030 | \$ 18,396 | \$ - | \$ - | \$ 1,279 | \$ 159,406 |
| Operating transfers out | (43,674) | - | - | - | (60,000) | (2,081) | (53,651) | (159,406) |
| Total other financing sources (uses) | <u>\$ (43,674)</u> | <u>\$ 44,701</u> | <u>\$ 95,030</u> | <u>\$ 18,396</u> | <u>\$ (60,000)</u> | <u>\$ (2,081)</u> | <u>\$ (52,372)</u> | <u>\$ -</u> |
| Net change in fund balances | \$ (9,204) | \$ - | \$ - | \$ - | \$ 2,834 | \$ - | \$ (12,757) | \$ (19,127) |
| Fund balances, beginning of year | <u>155,368</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>18,507</u> | <u>-</u> | <u>19,167</u> | <u>193,042</u> |
| Fund balances, end of year | <u>\$ 146,164</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 21,341</u> | <u>\$ -</u> | <u>\$ 6,410</u> | <u>\$ 173,915</u> |

(Concluded)

The accompanying notes are an integral part of this statement.

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

| | |
|---|---------------------------|
| Net change in fund balances - total governmental funds | \$ (19,127) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds. | (8,035) |
| Governmental funds only report the disposal of fixed assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. | (4,437) |
| Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | <u>18,706</u> |
| Change in net position of governmental activities | <u><u>\$ (12,893)</u></u> |

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. However, before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from the Governor's Office of Elderly Affairs pursuant to LA R.S. 46:1602. The functions of each council on aging in Louisiana must comply with the objectives of state laws and each council is governed by policies and regulations established by GOEA.

The Beauregard Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on September 17, 1973.

A board of directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the parish's elderly populations, general public, private businesses, and elected public officials. Board members are elected annually from general elections.

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

Based on the criteria set forth in GASB Statement 17, the Beauregard Council is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issued bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget is

Notes to the Financial Statements (Continued)

approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

C. Presentation of Statements

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. Certain significant changes in the Statement include the following:

For the first time the financial statements include:

Governmental-Wide Financial statements prepared using full accrual accounting for all the Council's activities.

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

D. Basic Financial Statements – Government-Wide Statements

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major 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 been classified 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.

In the Government-Wide Statement of Net Position, the governmental type activities column (a) is presented on a consolidated basis by column, (b) and is reported 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 positions are reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net position consist of net position with constraints placed on their 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 includes all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Notes to the Financial Statements (Continued)

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its USDA contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the USDA revenues when paying for nutrition program costs. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

The Government-Wide Statement of Activities reports both gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to drive 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. The Council did not receive any capital-specific grants this year.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council's other functions and programs.

The Government-Wide Statements focus upon the Council's ability to sustain operations and the change in its net position resulting from the current year's activities.

E. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Funds Financial Statements. 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. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

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.

Governmental fund equity is called the fund balance. Fund balance is further classified as restricted and unassigned. Restricted means that the fund balance is not available for expenditures because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations.

The Council has not established a policy for use of the unrestricted fund balance, therefore it considers committed fund balances to be used first, then assigned fund balances to be used next and finally the unassigned fund balance will be used.

Notes to the Financial Statements (Continued)

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

- **General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those in another fund.
- **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services – Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following is a brief description of each special revenue fund's purpose:

Major Special Revenue Funds

Title III C-1 Congregate Meals Fund

The Title III C-1 Fund is used to account for funds, which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 2017 to June 30, 2018, the Council serviced approximately 11,695 congregate meals.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Fund is used to account for funds, which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 2017 to June 30, 2018, the Council served approximately 29,784 home delivered meals.

Title III-B Supportive Services Fund

Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of social services; such as, information and assistance, assess services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

United Way – Homemaker/Sitter

Homemaker assistance is a program designed to help maintain normal household functioning when the family's life is threatened with disruptions by long or short-term illness, disability, social maladjustment, or other problems, which require assistance in the home to sustain independent living. Under this program, trained homemakers working under agency supervision and the supervision of social workers go into homes as substitute homemakers and assume responsibility for routine household activities such as menu planning, budgeting, shopping, child care, meal preparation, and general household management, including some light housekeeping.

Senior Center Fund

The Senior Center fund is used to account for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance, and encourage their dignity, and encourage their involvement in and with the community. The Council operates one senior center in Beauregard Parish, Louisiana.

Non-Major Special Revenue Funds

N.S.I.P. Fund

The N.S.I.P. (National Services Incentive Program) Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about forty cents for each congregate and home-delivered meal serviced to an eligible participant so that United States food and commodities may be purchased to supplement these programs. Net positions of the N.S.I.P. Fund are restricted for the purposes stated above.

Title III-D Preventive Health Fund

The Title III-D Fund is used to account for funds used for disease prevention and health promotion activities or services, such as: (1) equipment and materials (scales to weigh people, educational material, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Beauregard Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration Fund is used to account for some of the administration cost associated with operating the Special Programs for the Aging.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and employees and remit the funds directly to the Council or to the Louisiana Association of Councils on Aging (LACOA), which in turn remits funds relating to Beauregard Parish to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bill.

Title III-E National Family Caregiver Support Fund

The Title III-E Fund is used to account for funds used to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers, including in-home respite and respite care. In-home respite provides personal care in the home of the qualifying individual in order to provide a brief period of relief or rest for the client. Respite care provides temporary or periodic services for frail elderly or individuals with developmental disabilities including Adult Day Care/Adult Day Health, Group Respite, In-Home Respite, and Institutional Respite.

F. Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual Basis – Government-Wide Financial Statements (GWFS)

The Statement of Net Position and Statement of Activities display information on all the nonfiduciary activities of the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenditures, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual Basis – Fund Financial Statements (FFS)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. 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. The Council considers all revenues “available” if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

G. Interfund Activity

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-Wide Financial Statements.

H. Cash and Cash Equivalents

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

I. Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that 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. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. 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.

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Continued)

For capital assets recorded in the Government-Wide Financial Statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The estimated useful lives of the various classes of depreciable capital assets are as follows:

| | |
|-----------------------|-------------|
| Building Improvements | 20-40 years |
| Equipment | 5-15 years |
| Vehicles | 5 years |
| Computers | 5 years |

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

J. Unpaid Compensated Absences

Sick leave granted by this agency is vested. It is time off with pay for periods of illness or incapacity resulting from non-occupational injury, as well as for medical, dental, or optical examinations or treatment that cannot be arranged after hours. The Executive Director may request a physician's statement regarding any sick leave, at his/her discretion. Full-time employees accrue sick leave at a rate of one (1) day per month; twelve (12) days per year. Sick time earned begins to accrue with the first full month of employment. While sick leave accrues and is an aggregate total, no payment will be paid for sick leave not taken upon termination of employment.

Annual Leave/Vacation is based on the number years of service and is earned as follows:

| | <u>Days</u> |
|--------------------|-------------|
| One to Five years | 12 |
| Five to Ten years | 15 |
| Ten years and over | 21 |

The employee's hire date will become the employee's anniversary date. No annual leave may be taken until after the first full year of employment, and the same applies for all consecutive years.

An employee must submit an Application for Leave form approved by their supervisor and the Executive Director in order to receive annual leave.

Department seniority will be adhered to for all annual leave taken (especially, during the holidays).

Full-time employees will be able to carry over ten (10) days annual leave to the following year. No pay will be granted in lieu of annual leave. All hours over 80 must be taken before January 31st of the New Year.

Payment will be made for any eligible accrued leave upon separation from employment.

The rate of pay for annual leave is the employee's current regular rate of pay.

K. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the administration function. GOEA provides funds to partially subsidize the Council's administration function. The unsubsidized net cost of the administration function is

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Continued)

allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

L. Management’s Use of Estimates

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

M. 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.

N. Fund Balances

Restricted Amounts that are restricted to specific purposes should be reported as restricted fund balance. Fund balance should be reported when constraints placed on the use of resources are either:

- a. externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b. imposed by law through constitutional provisions or enabling legislation.

Unassigned Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

O. Budget Practices

The financial administrator prepares the proposed budget and submits this to the board of directors for approval. Amended budgets are prepared in the same manner and submitted to the board of directors for approval when a variance greater than five percent exists between budgeted and actual amounts. The proposed budget is prepared on the modified accrual basis of accounting. The budget is legally adopted and amended, as necessary, by the board of directors.

EXCESS OF EXPENDITURES OVER APPROPRIATIONS The following individual funds had actual expenditures over budgeted appropriations for the year ended June 30, 2018.

| Fund | Original Budget | Final Budget | Actual | Unfavorable Variance |
|------------------|--------------------|-----------------|-----------|-------------------------|
| Title III B Fund | \$ 88,432 | \$ 86,871 | \$ 88,296 | \$ 1,425 |

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Continued)

Expenditure appropriations lapse at year-end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

P. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of Beauregard Council on Aging, Inc., which are either unusual in nature or infrequent in occurrence. Subsequent events have been evaluated through September 11, 2018, the date that the financial statements were available to be issued.

2. REVENUE RECOGNITION

Revenues are recorded in the Government-Wide Statements when they are earned under 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 program service fees, and interest income are usually 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.

3. CASH AND CASH EQUIVALENTS

At June 30, 2018, the Council had cash and cash equivalents (book balances) totaling \$174,160 as follows:

| | |
|-----------------|-------------------|
| NOW account | \$ 114,493 |
| Demand deposits | <u>59,667</u> |
| Total | <u>\$ 174,160</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 2018, the Council had \$198,087 in deposits (collected bank balances). These deposits are secured from risk by \$198,087 of federal deposit insurance.

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Continued)

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2018, for the Council is as follows:

| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|----------------------|------------------|-------------------|-------------------|
| Capital assets being depreciated | | | | |
| Buildings | \$ 6,200 | \$ - | \$ - | \$ 6,200 |
| Machinery and equipment | 12,466 | - | - | 12,466 |
| Vehicles | 43,813 | 18,706 | 20,480 | 42,039 |
| Total capital assets being depreciated | <u>\$ 62,479</u> | <u>\$ 18,706</u> | <u>\$ 20,480</u> | <u>\$ 60,705</u> |
| Less accumulated depreciation for: | | | | |
| Building | \$ 698 | \$ 310 | \$ - | \$ 1,008 |
| Machinery and equipment | 8,813 | 1,187 | - | 10,000 |
| Vehicles | 26,933 | 6,538 | 16,043 | 17,428 |
| Total accumulated depreciated | <u>\$ 36,444</u> | <u>\$ 8,035</u> | <u>\$ 16,043</u> | <u>\$ 28,436</u> |
| Total capital assets being depreciated, net | <u>\$ 26,035</u> | <u>\$ 10,671</u> | <u>\$ (4,437)</u> | <u>\$ 32,269</u> |

Depreciation expense of \$8,035 for the year ended June 30, 2018, was charged to the following governmental functions:

| | |
|--------------|-----------------|
| Title III B | \$ 6,538 |
| General fund | 1,497 |
| Total | <u>\$ 8,035</u> |

5. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for any out-of-pocket costs they might incur on behalf of the Council in accordance with the Council's applicable reimbursement policy.

6. INCOME TAX STATUS

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

7. JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 2018. Furthermore, the Council's management believed that any potential lawsuits would be adequately covered by insurance.

Subsequent events have been evaluated through the financial statement issuance date.

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Continued)

8. FEDERAL AWARDS PROGRAMS

The Council receives revenues from various federal and state grant programs, which are subject to final review and approval as to allowability of expenditures by respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits or reviews by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

9. ECONOMIC DEPENDENCY

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

10. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the fiscal year ended June 30, 2018:

| | Funds Transferred To | | | | | Total |
|-------------------------------|----------------------|------------------|------------------|----------------|----------------|------------|
| | Title III B | Title III C-1 | Title III C-2 | Title III D | Title III E | |
| Transfer From General Fund | \$ 14,816 | \$ - | \$ 27,579 | \$ 864 | \$ 415 | \$ 43,674 |
| Special Revenue Funds: | | | | | | |
| Major Funds: | | | | | | |
| United Way | \$ 3,580 | \$ 5,000 | \$ 51,420 | \$ - | \$ - | \$ 60,000 |
| Senior Center | - | - | 2,081 | - | - | 2,081 |
| Non-Major Funds: | | | | | | |
| Supplemental Senior Center | - | 3,100 | 7,812 | - | - | 10,912 |
| NSIP | - | 26,707 | 16,032 | - | - | 42,739 |
| Total Special Revenue Funds | \$ 3,580 | \$ 34,807 | \$ 77,345 | \$ - | \$ - | \$ 115,732 |
| Total all funds | \$ 18,396 | \$ 34,807 | \$ 104,924 | \$ 864 | \$ 415 | \$ 159,406 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

Beauregard Council on Aging, Inc.

Notes to the Financial Statements (Concluded)

11. RETIREMENT COMMITMENTS

Employees of the Council are participants in the social security system and retirement benefits are provided by that system.

12. RISK MANAGEMENT

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

13. PAYABLES

The payables of \$245 at June 30, 2018 are as follows:

| <u>Class of payable</u> | |
|-------------------------|---------------|
| Title III E fund | \$ 1 |
| Title AAA fund | 24 |
| Title C1 fund | 14 |
| Title C2 fund | 14 |
| Title III B fund | 51 |
| Title III D fund | 1 |
| Senior Center fund | 140 |
| Total | <u>\$ 245</u> |

14. RESTRICTED FUND BALANCE/NET POSITION

The Special Revenue Funds – Restricted cash of specific revenue sources for specified purposes of the special revenue funds.

| | |
|--|------------------|
| Restricted assets: | |
| Cash accounts | <u>\$ 27,996</u> |
| Less-liabilities payable from restricted assets | |
| Accounts payable | <u>(245)</u> |
| Restricted fund balance/net position | <u>\$ 27,751</u> |

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

General Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|---|------------------|------------------|------------------|-----------------------------|
| | Original | Final | | Differences Over (Under) |
| REVENUES | | | | |
| PCOA revenue | \$ 37,500 | \$ 37,500 | \$ 37,500 | \$ - |
| Public donations | 3,500 | 22,200 | 18,306 | (3,894) |
| Fundraising | - | - | 7,328 | 7,328 |
| Interest income | - | - | 223 | 223 |
| Dividend income | - | - | 1,960 | 1,960 |
| Total revenues | \$ 41,000 | \$ 59,700 | \$ 65,317 | \$ 5,617 |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ - | \$ - | \$ - | \$ - |
| Travel | - | - | - | - |
| Operating services | 12,000 | 12,500 | 11,427 | 1,073 |
| Operating supplies | - | - | 714 | (714) |
| Capital outlay | - | 18,700 | 18,706 | (6) |
| Total expenditures | \$ 12,000 | \$ 31,200 | \$ 30,847 | \$ 353 |
| Excess (deficiency) of revenues over expenditures | \$ 29,000 | \$ 28,500 | \$ 34,470 | \$ 5,970 |
| Other financing sources (uses) | | | | |
| Transfers out | \$ (37,500) | \$ (37,500) | \$ (43,674) | \$ (6,174) |
| Net change in fund balances | \$ (8,500) | \$ (9,000) | \$ (9,204) | \$ (204) |
| Fund balances, beginning of year | 155,368 | 155,368 | 155,368 | - |
| Fund balances, end of year | \$ 146,868 | \$ 146,368 | \$ 146,164 | \$ (204) |

Title III C-1 Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|---|--------------------|--------------------|--------------------|-------------------|
| | Original | Final | | Differences |
| | | | | Over (Under) |
| REVENUES | | | | |
| GOEA support | \$ 39,583 | \$ 39,583 | \$ 39,583 | \$ - |
| Participant contributions | 1,000 | 1,000 | 1,960 | 960 |
| In-kind support | 193 | 193 | 193 | - |
| Total revenues | <u>\$ 40,776</u> | <u>\$ 40,776</u> | <u>\$ 41,736</u> | <u>\$ 960</u> |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ 21,254 | \$ 21,300 | \$ 21,172 | \$ 128 |
| Travel | 334 | 193 | 135 | 58 |
| Operating services | 3,054 | 2,908 | 3,363 | (455) |
| In-kind operating services | 193 | 193 | 193 | - |
| Operating supplies | 743 | 695 | 613 | 82 |
| Other meals | 60,400 | 61,900 | 60,961 | 939 |
| Total expenditures | <u>\$ 85,978</u> | <u>\$ 87,189</u> | <u>\$ 86,437</u> | <u>\$ 752</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (45,202)</u> | <u>\$ (46,413)</u> | <u>\$ (44,701)</u> | <u>\$ 1,712</u> |
| Other financing sources (uses) | | | | |
| Transfers in | <u>\$ 45,202</u> | <u>\$ 46,413</u> | <u>\$ 44,701</u> | <u>\$ (1,712)</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Title III C-2 Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|---|--------------------|--------------------|--------------------|-----------------------------|
| | Original | Final | | Differences Over (Under) |
| REVENUES | | | | |
| GOEA support | \$ 83,630 | \$ 83,630 | \$ 83,630 | \$ - |
| Participant contributions | 6,000 | 6,000 | 5,444 | (556) |
| Total revenues | <u>\$ 89,630</u> | <u>\$ 89,630</u> | <u>\$ 89,074</u> | <u>\$ (556)</u> |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ 21,254 | \$ 21,300 | \$ 21,172 | \$ 128 |
| Travel | 334 | 193 | 135 | 58 |
| Operating services | 3,053 | 2,908 | 3,469 | (561) |
| Operating supplies | 743 | 695 | 508 | 187 |
| Other-meals | 156,900 | 159,400 | 158,820 | 580 |
| Total expenditures | <u>\$ 182,284</u> | <u>\$ 184,496</u> | <u>\$ 184,104</u> | <u>\$ 392</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (92,654)</u> | <u>\$ (94,866)</u> | <u>\$ (95,030)</u> | <u>\$ (164)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | <u>\$ 92,654</u> | <u>\$ 94,866</u> | <u>\$ 95,030</u> | <u>\$ 164</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Title III B Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|---|--------------------|--------------------|--------------------|-------------------|
| | Original | Final | | Differences |
| | | | | Over (Under) |
| REVENUES | | | | |
| GOEA support | \$ 63,850 | \$ 63,850 | \$ 63,850 | \$ - |
| Participant contributions | 2,000 | 2,000 | 1,212 | (788) |
| In-kind support | 4,838 | 4,838 | 4,838 | - |
| Total revenues | <u>\$ 70,688</u> | <u>\$ 70,688</u> | <u>\$ 69,900</u> | <u>\$ (788)</u> |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ 65,739 | \$ 65,580 | \$ 67,100 | \$ (1,520) |
| Travel | 473 | 144 | 46 | 98 |
| Operating services | 14,438 | 13,534 | 14,096 | (562) |
| In-kind operating services | 4,838 | 4,838 | 4,838 | - |
| Operating supplies | 2,944 | 2,775 | 2,216 | 559 |
| Total expenditures | <u>\$ 88,432</u> | <u>\$ 86,871</u> | <u>\$ 88,296</u> | <u>\$ (1,425)</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (17,744)</u> | <u>\$ (16,183)</u> | <u>\$ (18,396)</u> | <u>\$ (2,213)</u> |
| Other financing sources (uses) | | | | |
| Transfers in | <u>\$ 17,744</u> | <u>\$ 16,183</u> | <u>\$ 18,396</u> | <u>\$ 2,213</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

United Way
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|--|------------------|------------------|------------------|-----------------------------|
| | Original | Final | | Differences Over (Under) |
| REVENUES | | | | |
| United Way of America | \$ 60,000 | \$ 60,000 | \$ 62,834 | \$ 2,834 |
| Total revenues | <u>\$ 60,000</u> | <u>\$ 60,000</u> | <u>\$ 62,834</u> | <u>\$ 2,834</u> |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ - | \$ - | \$ - | \$ - |
| Travel | - | - | - | - |
| Operating services | - | - | - | - |
| In-kind operating services | - | - | - | - |
| Operating supplies | - | - | - | - |
| Total expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 60,000</u> | <u>\$ 60,000</u> | <u>\$ 62,834</u> | <u>\$ 2,834</u> |
| Other financing sources (uses) | | | | |
| Transfers out | <u>(60,000)</u> | <u>(60,000)</u> | <u>(60,000)</u> | <u>\$ -</u> |
| Net change in fund balances | \$ - | \$ - | \$ 2,834 | \$ 2,834 |
| Fund balances, beginning of year | <u>18,507</u> | <u>18,507</u> | <u>18,507</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 18,507</u> | <u>\$ 18,507</u> | <u>\$ 21,341</u> | <u>\$ 2,834</u> |

Senior Center Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget and Actual
 For the Year Ended June 30, 2018

| | Budgeted Amounts | | Actual Amount | Budget to Actual |
|---|------------------|------------------|------------------|------------------|
| | Original | Final | | Differences |
| | | | | Over (Under) |
| REVENUES | | | | |
| GOEA support | \$ 43,731 | \$ 43,731 | \$ 43,731 | \$ - |
| In-kind support | 3,079 | 3,079 | 3,079 | - |
| Total revenues | <u>\$ 46,810</u> | <u>\$ 46,810</u> | <u>\$ 46,810</u> | <u>\$ -</u> |
| EXPENDITURES | | | | |
| Program services: | | | | |
| Health, Welfare and Social services | | | | |
| Salaries and benefits | \$ 32,358 | \$ 32,461 | \$ 32,121 | \$ 340 |
| Travel | 277 | 97 | 41 | 56 |
| Operating services | 5,180 | 4,944 | 8,373 | (3,429) |
| In-kind operating services | 3,079 | 3,079 | 3,079 | - |
| Operating supplies | 5,258 | 5,181 | 1,115 | 4,066 |
| Total expenditures | <u>\$ 46,152</u> | <u>\$ 45,762</u> | <u>\$ 44,729</u> | <u>\$ 1,033</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ 658</u> | <u>\$ 1,048</u> | <u>\$ 2,081</u> | <u>\$ 1,033</u> |
| Other financing sources | | | | |
| Transfers out | <u>(658)</u> | <u>(1,048)</u> | <u>(2,081)</u> | <u>(1,033)</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

SUPPLEMENTARY INFORMATION REQUIRED BY GOEA

Schedule of Non-Major Special Revenues Funds
 Combining Statement of Revenues and Expenditures
 For the Year Ended June 30, 2018

| | Title III D Fund | Title III E Fund | AAA Fund | Senior Center Supplemental | Utility Assistance Fund | NSIP Fund | Total |
|--|---------------------|---------------------|------------------|-------------------------------|-------------------------------|--------------------|--------------------|
| REVENUES | | | | | | | |
| Intergovernmental | | | | | | | |
| Governor's Office of Elderly Affairs | \$ 4,312 | \$ 26,740 | \$ 27,273 | \$ 10,912 | \$ - | \$ 29,814 | \$ 99,051 |
| Public support | | | | | | | |
| Utility assistance | - | - | - | - | 1,520 | - | 1,520 |
| In-kind support | 1,380 | - | 1,189 | - | - | - | 2,569 |
| Total revenues | <u>\$ 5,692</u> | <u>\$ 26,740</u> | <u>\$ 28,462</u> | <u>\$ 10,912</u> | <u>\$ 1,520</u> | <u>\$ 29,814</u> | <u>\$ 103,140</u> |
| EXPENDITURES | | | | | | | |
| Health and Welfare and Social Services | | | | | | | |
| Salaries and benefits | \$ 4,002 | \$ 2,200 | \$ 20,795 | \$ - | \$ - | \$ - | \$ 26,997 |
| Travel | 2 | - | 9 | - | - | - | 11 |
| Operating services | 600 | 24,903 | 5,493 | - | 1,352 | - | 32,348 |
| Operating supplies | 572 | 52 | 976 | - | - | - | 1,600 |
| In-kind operating services | 1,380 | - | 1,189 | - | - | - | 2,569 |
| Total expenditures | <u>\$ 6,556</u> | <u>\$ 27,155</u> | <u>\$ 28,462</u> | <u>\$ -</u> | <u>\$ 1,352</u> | <u>\$ -</u> | <u>\$ 63,525</u> |
| Excess (deficiency) of revenues over expenditures | <u>\$ (864)</u> | <u>\$ (415)</u> | <u>\$ -</u> | <u>\$ 10,912</u> | <u>\$ 168</u> | <u>\$ 29,814</u> | <u>\$ 39,615</u> |
| Other financing sources (uses) | | | | | | | |
| Operating transfers in | \$ 864 | \$ 415 | \$ - | \$ - | \$ - | \$ - | \$ 1,279 |
| Operating transfers out | - | - | - | (10,912) | - | (42,739) | (53,651) |
| Total other financing sources (uses) | <u>\$ 864</u> | <u>\$ 415</u> | <u>\$ -</u> | <u>\$ (10,912)</u> | <u>\$ -</u> | <u>\$ (42,739)</u> | <u>\$ (52,372)</u> |
| Net change in fund balances | \$ - | \$ - | \$ - | \$ - | \$ 168 | \$ (12,925) | \$ (12,757) |
| Fund balances at beginning of year | - | - | - | - | 6,242 | 12,925 | 19,167 |
| Fund balances at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,410</u> | <u>\$ -</u> | <u>\$ 6,410</u> |

Comparative Schedule of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 2018

| | Beginning Balance | Increase | Decrease | Ending Balance |
|--|----------------------|------------------|------------------|-------------------|
| General Fixed Assets | | | | |
| Buildings | \$ 6,200 | \$ - | \$ - | \$ 6,200 |
| Machinery and equipment | 12,466 | - | - | 12,466 |
| Vehicles | 43,813 | 18,706 | 20,480 | 42,039 |
| | <u>62,479</u> | <u>18,706</u> | <u>20,480</u> | <u>60,705</u> |
| Total capital assets being depreciated | <u>\$ 62,479</u> | <u>\$ 18,706</u> | <u>\$ 20,480</u> | <u>\$ 60,705</u> |
| Invested in General Fixed Assets | | | | |
| Property acquired with funds from | | | | |
| Senior Center | \$ 81 | \$ - | \$ - | \$ 81 |
| Title III C AAA | 399 | - | - | 399 |
| Title III B | 537 | - | - | 537 |
| Title III C-1 | 75 | - | - | 75 |
| Title III C-2 | 75 | - | - | 75 |
| Title III D | 42 | - | - | 42 |
| Title III E | 17 | - | - | 17 |
| PCOA Supplement | 39,372 | - | - | 39,372 |
| Local Funds | 21,881 | 18,706 | 20,480 | 20,107 |
| | <u>62,479</u> | <u>18,706</u> | <u>20,480</u> | <u>60,705</u> |
| Total Invested in General Fixed Assets | <u>\$ 62,479</u> | <u>\$ 18,706</u> | <u>\$ 20,480</u> | <u>\$ 60,705</u> |

OTHER SUPPLEMENTAL INFORMATION

Schedule of Compensation, Benefits and
Other Payments to Agency Head
For the Year Ended June 30, 2018

Agency Head Name - Connie Granger

| Purpose | Amount |
|--------------------------------|-----------|
| Salary | \$ 39,830 |
| Benefits - insurance | - |
| Benefits - retirement | - |
| Deferred compensation | - |
| Benefits - other (Fringe) | - |
| Car allowance | - |
| Vehicle provided by government | - |
| Cell phone | - |
| Dues | 100 |
| Vehicle rental | - |
| Per diem | - |
| Reimbursements | - |
| Travel | - |
| Registration fees | - |
| Conference travel | - |
| Housing | - |
| Unvouchered expenses | - |
| Special meals | - |
| Other | - |

OTHER REPORTS

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

Finding – Financial Statement Audit

Audit Finding No. 2017-1

Budget Variances

Condition: Actual expenditures in the General Fund exceeded budgeted expenditures and actual revenues in the Senior Center Fund were less than budgeted revenues by more than ten percent as allowed by GOEA.

Criteria: In accordance with the Council’s budget policy and GOEA, the General Fund and Senior Center Fund budgets should be amended when budgeted expenditures are less than the actual expenditures or actual revenues are less than budgeted revenues by more than ten percent.

Cause and Condition: The Council failed to adequately amend the budgets at the end of fiscal year June 30, 2017.

Effect of Condition: Inaccurate budgeting counters fiscal responsibility.

Recommendation: We recommend that the Council monitor revenues and costs for each fund and amend the budgets when actual revenues are less than the budgeted amounts by more than ten percent or when actual costs are more than the budgeted amounts by more than ten percent.

Date of initial occurrence - June 30, 2017

Corrective action taken - Yes

Schedule of Current Year Audit Findings and Management's Response
Year Ended June 30, 2018

There were no current year audit findings reported as of June 30, 2018.

Windham & Reed, L.L.C.

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John A. Windham, CPA
Charles M. Reed, Jr., CPA

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

The Board of Directors
Beauregard Council on Aging, Inc.
DeRidder, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Beauregard Council on Aging, Inc. as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Beauregard Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated September 11, 2018.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "John A. Windham, CPA". The signature is written in a cursive style with a large initial "J".

DeRidder, Louisiana
September 11, 2018