

**PLAQUEMINES COUNCIL
ON AGING, INC.**
FINANCIAL STATEMENTS AND SCHEDULES
June 30, 2018

PLAQUEMINES COUNCIL ON AGING, INC.

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Kushner LaGraize, L.L.C.

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INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors
Plaquemines Council on Aging, Inc.

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 Plaquemines Council on Aging, Inc. (the Council), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Plaquemines 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit 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. 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 auditors' 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Council, as of June 30, 2018 and the respective changes in financial position 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The schedule of non-major special revenue funds, comparative schedule of capital assets and changes in capital assets, and schedule of compensation, reimbursements, 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, comparative schedule of capital assets and changes in capital assets, and schedule of compensation, reimbursements, 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, comparative schedule of capital assets and changes in capital assets, and schedule of compensation, reimbursements, 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 7, 2018 on our consideration of the Council'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
September 7, 2018

PLAQUEMINES COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and For the Year Ended June 30, 2018

The Management's Discussion and Analysis of Plaquemines Council on Aging, Inc.'s (the Council) financial performance presents a narrative overview and analysis of the Council's financial activities for the year ended June 30, 2018. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Council's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- The Council received \$202,325 from Plaquemines Parish Government for the year ended June 30, 2018. The total amount received from Plaquemines Parish Government for the year ended June 30, 2017 was \$219,825
- The Council received \$322,392 funding from the Governor's Office of Elderly Affairs (GOEA) during the fiscal year ended June 30, 2018. The total amount received during the year ended June 30, 2017 was \$314,589.
- Total expenditures increased by \$13,237 or 2.4%. Total expenditures in the statements of activities for the years ended June 30, 2018 and 2017 were \$573,866 and \$560,629, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following list illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

1. Management's Discussion and Analysis
2. Basic Financial Statements
3. Required Supplementary Information (other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

PLAQUEMINES COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
As of and For the Year Ended June 30, 2018

BASIC FINANCIAL STATEMENTS

The basic financial statements present information for the Council as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the government-wide financial statements and fund financial statements.

Government-wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the Council's finances, in a manner similar to private-sector business. The government-wide financial statements include:

Statement of Net Position - this statement presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Council is improving or deteriorating.

Statement of Activities - this statement presents information showing how the Council's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

FINANCIAL ANALYSIS OF THE COUNCIL

Condensed Statements of Net Position
 June 30, 2018 and 2017

	2018	2017	Increase (Decrease)
ASSETS			
Cash and cash equivalents	\$ 163,487	\$ 186,655	\$ (23,168)
Grants receivable	-	600	(600)
Prepaid expenses	8,972	9,895	(923)
Capital assets, net of accumulated depreciation	16,857	21,561	(4,704)
Total Assets	189,316	218,711	(29,395)
LIABILITIES	27,377	23,635	3,742
NET POSITION:			
Net investment in capital assets	16,857	21,561	(4,704)
Unrestricted	145,082	173,515	(28,433)
Total Net Position	\$ 161,939	\$ 195,076	\$ (33,137)

PLAQUEMINES COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
As of and For the Year Ended June 30, 2018

Condensed Statements of Activities
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>	<u>Percentage Increase (Decrease)</u>
REVENUES				
Program Revenues	\$ 336,312	\$ 326,989	\$ 9,323	2.9 %
General Revenues:				
Plaquemines Parish Government Grant	202,325	219,825	(17,500)	(8.0)
Miscellaneous Income	2,065	6,661	(4,596)	(69.0)
Interest Income	27	33	(6)	(18.2)
Total Revenues	<u>540,729</u>	<u>553,508</u>	<u>(12,779)</u>	<u>(2.3)</u>
 Direct Program Expenses of the Health, Wealth and Social Services Function:				
Supportive Services	148,854	146,360	2,494	1.7
Nutrition Services	323,984	321,286	2,698	0.8
Disease Prevention and Health Promotion	5,823	5,670	153	2.7
National Family Caregiver Support	34,222	28,961	5,261	18.2
Senior Center	38,072	36,934	1,138	3.1
Direct Administration Expenses	<u>22,911</u>	<u>21,418</u>	<u>1,493</u>	<u>7.0</u>
Total Expenses	<u>573,866</u>	<u>560,629</u>	<u>13,237</u>	<u>2.4</u>
Increase (Decrease) in Net Position	<u>\$ (33,137)</u>	<u>\$ (7,121)</u>	<u>\$ (26,016)</u>	<u>365.3%</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Council's board and administration considered the following factors when setting next year's budget:

- ❖ Short-term and long-term tasks required to fulfill duties and obligations set forth with guidelines established by local board members, administration and the GOEA.
- ❖ Anticipated new revenues expected from long-established sources.

PLAQUEMINES COUNCIL ON AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED
As of and For the Year Ended June 30, 2018

The Council expects results to change for subsequent years based on the following:

- ❖ The Council continues to grow and rebuild programs.
- ❖ The Council is persistent in continuing programs and maintaining seniors' awareness to new activities.

CONTACTING PLAQUEMINES COUNCIL ON AGING, INC.'S MANAGEMENT

This financial report is designed to provide a general overview of the Council's finances. If you have questions about this report or need additional financial information contact David Lewis, Executive Director, at (504) 564-0600.

PLAQUEMINES COUNCIL ON AGING, INC.
STATEMENT OF NET POSITION
June 30, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 163,487
Prepaid expenses	<u>8,972</u>
TOTAL CURRENT ASSETS	172,459
Capital assets, net of accumulated depreciation	<u>16,857</u>
TOTAL ASSETS	189,316
LIABILITIES	
Accounts payable	16,428
Accrued salaries and payroll taxes	<u>10,949</u>
TOTAL CURRENT LIABILITIES	<u>27,377</u>
NET POSITION	
Net investment in capital assets	16,857
Unrestricted	<u>145,082</u>
TOTAL NET POSITION	<u>\$ 161,939</u>

PLAQUEMINES COUNCIL ON AGING, INC.
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2018

			Revenues		Net (Expense)
Functions/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Increases (Decreases) in Net Position Total Governmental Activities
Governmental Activities					
Health, Welfare & Social Services					
Supportive Services:					
Information and Assistance	\$ 9,045	\$ 3,457	\$ 110	\$ 6,090	\$ (6,302)
Legal Assistance	2,677	1,023	33	1,802	(1,865)
Outreach	388	148	5	261	(270)
Transportation	29,051	11,105	354	19,559	(20,243)
Other Services	66,529	25,431	810	44,791	(46,359)
Disease Prevention and Health Promotion	4,163	1,660	-	3,846	(1,977)
National Family Caregiver Support:					
Information and assistance	143	163	-	195	(111)
Respite	14,981	17,032	-	20,475	(11,538)
Other Services	891	1,012	-	1,218	(685)
Nutrition Services					
Congregate Meals	83,221	33,216	5,947	74,787	(35,703)
Home Delivered Meals	145,337	62,210	6,661	89,251	(111,635)
Senior Center	26,914	11,158	-	36,002	(2,070)
MIPPA	-	-	-	1,800	1,800
Administration	190,526	(167,615)	-	22,315	(596)
Total Governmental Activities	\$ 573,866	\$ -	\$ 13,920	\$ 322,392	(237,554)
General Revenues:					
Grants and contributions not restricted to specific programs					202,325
Unrestricted interest income					27
Unrestricted miscellaneous income					2,065
Total general revenues					204,417
Decrease in Net Position					(33,137)
Net Position beginning of the year					195,076
Net Position end of the year					\$ 161,939

PLAQUEMINES COUNCIL ON AGING, INC.
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total Governmental Funds
ASSETS						
Cash	\$ 163,487	\$ -	\$ -	\$ -	\$ -	\$ 163,487
Due from other funds	-	3,383	915	2,411	2,580	9,289
Prepaid insurance	8,972	-	-	-	-	8,972
Grants receivable	-	-	-	-	-	-
Total Assets	<u>\$ 172,459</u>	<u>\$ 3,383</u>	<u>\$ 915</u>	<u>\$ 2,411</u>	<u>\$ 2,580</u>	<u>\$ 181,748</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 16,429	\$ -	\$ -	\$ -	\$ -	\$ 16,429
Due to other funds	9,289	-	-	-	-	9,289
Salaries and payroll taxes payable	1,659	3,383	915	2,411	2,580	10,948
Total Liabilities	<u>27,377</u>	<u>3,383</u>	<u>915</u>	<u>2,411</u>	<u>2,580</u>	<u>36,666</u>
Fund Balances:						
Nonspendable – prepaid expenses	8,972	-	-	-	-	8,972
Unassigned	136,110	-	-	-	-	136,110
Total Fund Balances	<u>145,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,082</u>
Total Liabilities and Fund Balances	<u>\$ 172,459</u>	<u>\$ 3,383</u>	<u>\$ 915</u>	<u>\$ 2,411</u>	<u>\$ 2,580</u>	

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 funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

16,857
\$ 161,939

PLAQUEMINES COUNCIL ON AGING, INC.

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2018

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total Governmental Funds
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs (GOEA) -						
Primary Grants	\$ 39,808	\$ 51,445	\$ 64,639	\$ 54,629	\$ 85,851	\$ 296,372
GOEA - NSIP Grant	-	-	10,148	15,872	-	26,020
Plaquemines Parish Government Grant	202,325	-	-	-	-	202,325
Public Support:						
Program income - unrestricted	-	1,312	5,947	6,661	-	13,920
Interest income	-	-	-	-	27	27
Miscellaneous	2,000	-	65	-	-	2,065
Total Revenues	<u>244,133</u>	<u>52,757</u>	<u>80,799</u>	<u>77,162</u>	<u>85,878</u>	<u>540,729</u>
EXPENDITURES						
Health, Welfare & Social Services:						
Current						
Personnel	-	89,461	24,196	63,719	68,330	245,706
Fringe	-	9,661	2,667	6,807	7,249	26,384
Travel	-	168	138	242	185	733
Operating services	518	28,429	30,286	43,099	19,882	122,214
Operating supplies	-	16,739	57,278	86,571	4,341	164,929
Other costs	-	4,396	1,872	2,928	-	9,196
Total Expenditures	<u>518</u>	<u>148,854</u>	<u>116,437</u>	<u>203,366</u>	<u>99,987</u>	<u>569,162</u>
Excess (deficiency) of revenues over expenditures	<u>243,615</u>	<u>(96,097)</u>	<u>(35,638)</u>	<u>(126,204)</u>	<u>(14,109)</u>	<u>(28,433)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	41,608	96,097	35,638	126,204	15,909	315,456
Transfers out	<u>(313,656)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,800)</u>	<u>(315,456)</u>
Total other financing sources and uses	<u>(272,048)</u>	<u>96,097</u>	<u>35,638</u>	<u>126,204</u>	<u>14,109</u>	<u>-</u>
Net decrease in fund balances	(28,433)	-	-	-	-	(28,433)
FUND BALANCES						
Beginning of the year	<u>173,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>173,515</u>
End of the year	<u>\$ 145,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,082</u>

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

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

Net decrease in fund balances - total governmental funds \$ (28,433)

Governmental funds report capital outlays as expenditures.
However, in the statement of activities the cost of these assets
are allocated over their estimated useful lives and reported as
depreciation expense. This is the amount of depreciation in the
current period.

(4,704)

Change in net position of governmental activities \$ (33,137)

PLAQUEMINES COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

PURPOSE OF THE COUNCIL ON AGING

The purpose of Plaquemines Council on Aging, Inc. (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 Plaquemines Parish (the Parish); to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the Parish; to provide for a mutual exchange of ideas and information on the Parish and state level; to conduct public meetings to make recommendations for needed improvements and additional resources; to promote the welfare of aging people when requested to do so; to coordinate and monitor services of other local agencies serving the aging people of the Parish; 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 the Parish include providing congregate and home delivered meals, nutritional education, personal care, information and assistance, outreach, material aid, homemakers, recreation, legal assistance, disease prevention, health promotion and transportation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. However, before the Council on Aging can begin operations in a specific parish, its application for a charter must receive approval from the GOEA pursuant to LA R.S. 46:1602. The functions of each Council on Aging in Louisiana must comply with the objectives of state laws and each council is governed by the policies and regulations established by the GOEA.

The Plaquemines Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. It received its charter and began operations on March 10, 1977.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials.

PLAQUEMINES COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

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

Based on the criteria set forth in GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, both of which amended GASB Statement No. 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in 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 No. 61, 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 issue bonded debt. As previously mentioned, the GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by the GOEA. However, this approval process is part of the 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 No. 61.

Presentation of Statements

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 of the significant changes in the Statement include the following:

The financial statements include:

- ❖ A Management's Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- ❖ Government-wide Financial Statements prepared using full accrual accounting for all of the Council's activities.
- ❖ A change in the fund financial statements to focus on the major funds.

PLAQUEMINES COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position is 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. Restricted net position consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position includes all other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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 the 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 the 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 the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted 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 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.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements- Government-Wide Statements (Continued)

Operating grants include operating-specific and discretionary (either operating or capital) grants. The Council did not receive any capital-specific grants this year.

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.

Basic Financial Statements - Fund Financial Statements

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, 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.

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 non-major funds are summarized by category or fund type into a single column in the fund financial statements.

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

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements (Continued)

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

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. 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 GOEA, which in turn "passes through" the funds to the Council.

The following are brief descriptions of the programs and funding sources that comprise the Council's General Fund:

The Parish Fund is the Council on Aging's primary operating fund. The funds are received from local sources, such as the Parish government.

The PCOA (Act 735) Program is a general operating program of the Council and accounts for funds received from the State of Louisiana. The funds are appropriated to the GOEA by the Louisiana Legislature for remittance to the Parish Council. The Council may use these "Act 735" funds at its discretion.

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various Councils on Aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities.

The following are brief descriptions of the purpose of each special revenue fund and their classification as either a major or non-major governmental fund:

Major Governmental Funds

Title III B Supportive Services Fund is used to account for funds, which are used to provide various units of supportive social services to the elderly. This program provides for access services, in-home services, community services, transportation and legal assistance for the elderly.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements - Fund Financial Statements (Continued)

Title III C-1 Congregate Meals Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in the Parish. There are two main sources of revenues that form the basis of this fund: a grant from the GOEA for special programs for the aging and Nutrition Services Incentive Program (NSIP) funds provided by the GOEA to supplement the congregate meals program.

Title III C-2 Home Delivered Meals Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. There are two main sources of revenues that form the basis of this fund: a grant from the GOEA for special programs for the aging and Nutrition Services Incentive Program (NSIP) funds provided by the GOEA to supplement the home-delivered meals program.

Non-major Governmental Funds

Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administrating the Council's programs. Each fiscal year the GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the elderly.

Title III D Preventive Health Fund is used to account for funds used for disease prevention and health promotion activities.

Title III E Caregiver Fund is used to account for the administration of special programs for the aging. Title III E funds are provided by the United States Department of Health and Human Services through the GOEA. This program provides for multifaceted systems of support services for family caregivers and grandparents or older individuals who are relative caregivers.

Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Medicare Improvements for Patients and Providers Act Fund (MIPPA) is used to provide outreach services and assistance to seniors in the enrollment process for the Low Income Subsidy program, Medicare Savings program and Medicare Part D program.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of accounting refers to when revenues or expenses 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.

Accrual Basis - Government-Wide Financial Statements

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, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Modified Accrual Basis - Fund Financial Statements

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.

PLAQUEMINES COUNCIL ON AGING, INC.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Modified Accrual Basis - Fund Financial Statements (Continued)

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.

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.

Investments

Governmental Accounting Standards require the Council to report its investments at fair value, 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 that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that 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.

Prepaid Expenses

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Position.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Prepaid Expenses (Continued)

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. 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 shown as nonspendable to reflect the amount of fund balance not currently available for expenditures.

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 that have an estimated useful life of greater than one year. 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, it is recorded at its estimated fair market value at the date of donation.

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:

Furniture and Equipment	5 years
Vehicles	5 years

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

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Advances from Funding Agency

Advances from Funding Agency represent unexpended balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amounts due become known, normally when a final accounting is submitted to the funding agency.

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. The GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

Fund Balance

The Council reports fund balance under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose for which resources can be used:

Nonspendable

This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures 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:

Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or

Imposed by law through constitution provisions or enabling legislation.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Fund Balance (Continued)

Unassigned

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

Compensated Absences

Employees of the Council earn from 12 to 24 days of noncumulative vacation leave each year, depending on their length of service and employee status (full-time or part-time). Employees earn up to 26 days of sick leave each year. However, unused sick leave is forfeited upon termination of employment. At June 30, 2018, the Council has no accumulated benefits relating to leave privileges that require disclosure to conform with accounting principles generally accepted in the United States of America.

Budgetary Practices

The proposed and revised budgets for the year ended June 30, 2018, were submitted to and approved by the board of directors. The budget, which included proposed expenditures and the means of financing them for all the special revenue funds, except for the General Fund, was also submitted to the Louisiana GOEA. The General Fund is not required to submit a budget because funding is received in the form of Parish funds. Consequently, the amount of funding is uncertain from year to year.

Unobligated grant funds at year end that were received through the Louisiana GOEA must be returned to the office. Revenues earned or donated to the Council may be carried into the ensuing year. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparing budgeted and actual revenues and expenditures. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device. The Council does not recognize or record encumbrances in its budget practices. All budgetary appropriations lapse at the end of each fiscal year (June 30).

Generally, the Council may transfer funds between line items as often as required without prior approval from the Louisiana GOEA. However, the Council must obtain prior approval to increase capital outlay. The Council is allowed only a one-time transfer of amounts from one program to another and is never permitted to transfer amounts from services to administration.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Continued)

Budgetary Practices (Continued)

Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments for all programs that require budgeting.

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.

NOTE 2 - CUSTODIAL CREDIT RISK

At June 30, 2018, the Council had cash in interest bearing accounts (book balances) totaling \$163,487. These deposits are stated at cost, which approximates market value. 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. At June 30, 2018, the Council had \$171,342 in deposits (bank balances), all of which was insured by federal deposit insurance.

NOTE 3 - CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance <u>7/1/17</u>	Increases	Decreases	Balance <u>6/30/18</u>
CAPITAL ASSETS				
Vehicles	\$ 198,354	\$ -	\$ -	\$ 198,354
Furniture and equipment	<u>45,976</u>	<u>-</u>	<u>-</u>	<u>45,976</u>
Subtotal	<u>244,330</u>	<u>-</u>	<u>-</u>	<u>244,330</u>
ACCUMULATED DEPRECIATION				
Vehicles	179,185	4,182	-	183,367
Furniture and equipment	<u>43,584</u>	<u>522</u>	<u>-</u>	<u>44,106</u>
Subtotal	<u>222,769</u>	<u>4,704</u>	<u>-</u>	<u>227,473</u>
Net Capital Assets	<u>\$ 21,561</u>	<u>\$ 4,704</u>	<u>\$ -</u>	<u>\$ 16,857</u>

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 3 - CHANGES IN CAPITAL ASSETS (Continued)

Depreciation expense in the amount of \$4,704 was charged to the following programs in the Statement of Activities:

Administration	\$ 4,182
Senior Center	<u>522</u>
	<u>\$ 4,704</u>

NOTE 4 - 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.

NOTE 5 - 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 Council received the following in-kind contributions during the year for which management estimates the aggregate in-kind value to be \$184,480.

The Parish owns the building in which the Council operates. The Council uses this building at no charge.

The Council received additional support through operating supplies contributed by volunteers without pay.

NOTE 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, 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 it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 7 - JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council as of year-end. The Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

NOTE 8 - 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 significant 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.

NOTE 9 - ECONOMIC DEPENDENCY

The Council receives the majority of its revenue through grants administered by the Louisiana GOEA. 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 funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

NOTE 10 - RISK MANAGEMENT

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

PLAQUEMINES COUNCIL ON AGING, INC.
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
June 30, 2018

NOTE 11 - INTERFUND TRANSFERS

Interfund transfers to and from are listed by fund for the fiscal year as follows:

	Operating Transfers	
	In	Out
<u>General Funds</u>		
Parish Fund	\$ 41,608	\$ 273,848
Supplemental Senior Center Fund	-	2,308
PCOA (Act 735) Fund	-	37,500
<u>Major Funds</u>		
Title III B – Supportive Services Fund	96,097	-
Title III C-1 – Congregate Meals Fund	35,638	-
Title III C-2 – Home Delivered Meals Fund	126,204	-
<u>Special Revenue Funds</u>		
Title III C – Area Agency Administration	77	-
Title III D – Preventive Health Fund	1,977	-
Title III E – National Family Caregiver Support Fund	12,335	-
Senior Center Fund	1,520	-
MIPPA	-	1,800
Total	\$ 315,456	\$ 315,456

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.

NOTE 12 - RELATED PARTY TRANSACTIONS

There were no related party transactions during the year ended June 30, 2018.

PLAQUEMINES COUNCIL ON AGING, INC.
 NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
 June 30, 2018

NOTE 13 - FUND BALANCES AND RESTRICTED NET POSITION

RESTRICTED FUND BALANCE

A summary of the change in the restricted fund balance follows:

	<u>Non-Major Funds</u>
Beginning balance	\$ -
Collections	-
Transfers	1,800
Payments	<u>(1,800)</u>
Ending balance	<u>\$ -</u>

Nonspendable for Prepaid Expenses

This fund balance was established for the prepayment of expenses for the next year. A summary of the change in the nonspendable fund balance follows:

	<u>General Fund</u>
Beginning balance	\$ 9,895
Collections	54,080
Payments	<u>(55,003)</u>
Ending balance	<u>\$ 8,972</u>

NOTE 14 - SUBSEQUENT EVENTS

The Council has evaluated subsequent events through the date the financial statements were available to be issued, which corresponds with the date of the independent auditors' report. No material subsequent events have occurred since June 30, 2018, that require recognition or disclosure in these financial statements.

PLAQUEMINES COUNCIL ON AGING, INC.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE – GENERAL FUND

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs –				
Primary Grants	\$ 39,808	\$ 39,808	\$ 39,808	\$ -
Plaquemines Parish Government Grant	224,308	228,045	202,325	(25,720)
Public Support:				
Contributions	-	3,842	2,000	(1,842)
Interest income	35	27	-	(27)
Total Revenues	<u>264,151</u>	<u>271,722</u>	<u>244,133</u>	<u>(27,589)</u>
EXPENDITURES				
Current:				
Personnel	-	-	-	-
Fringe	-	-	-	-
Operating services	-	-	518	(518)
Capital outlay	-	-	-	-
Operating supplies	-	-	-	-
Other costs	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>518</u>	<u>(518)</u>
Excess (deficiency) of revenues over expenditures	<u>264,151</u>	<u>271,722</u>	<u>243,615</u>	<u>(28,107)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	41,608	41,608
Transfers out	<u>(264,151)</u>	<u>(271,722)</u>	<u>(313,656)</u>	<u>(41,934)</u>
Total Other Financing Sources and Uses	<u>(264,151)</u>	<u>(271,722)</u>	<u>(272,048)</u>	<u>(326)</u>
Net Increase (Decrease) in Fund Balances	-	-	(28,433)	(28,433)
FUND BALANCES				
Beginning of year	<u>173,515</u>	<u>173,515</u>	<u>173,515</u>	<u>-</u>
End of year	<u>\$ 173,515</u>	<u>\$ 173,515</u>	<u>\$ 145,082</u>	<u>\$ (28,433)</u>

PLAQUEMINES COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – TITLE III B SUPPORTIVE SERVICES
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>GAAP</u> <u>Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs –				
Primary Grants	\$ 51,445	\$ 51,445	\$ 51,445	\$ -
Public Support:				
Contributions	-	-	-	-
Program income	1,575	1,122	1,312	190
Interest income	-	-	-	-
Total Revenues	<u>53,020</u>	<u>52,567</u>	<u>52,757</u>	<u>190</u>
EXPENDITURES				
Current:				
Personnel	88,764	89,002	89,461	(459)
Fringe	9,673	9,495	9,661	(166)
Travel	74	130	168	(38)
Operating services	26,638	29,127	28,429	698
Operating supplies	16,469	16,664	16,739	(75)
Other costs	4,984	4,361	4,396	(35)
Total Expenditures	<u>146,602</u>	<u>148,779</u>	<u>148,854</u>	<u>(75)</u>
Excess (deficiency) of revenues over expenditures	<u>(93,582)</u>	<u>(96,212)</u>	<u>(96,097)</u>	<u>115</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	93,582	96,212	96,097	(115)
Transfers out	-	-	-	-
Total Other Financing Sources and Uses	<u>93,582</u>	<u>96,212</u>	<u>96,097</u>	<u>(115)</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLAQUEMINES COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – TITLE III C-1 CONGREGATE MEALS
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs –				
Primary Grants	\$ 64,639	\$ 64,639	\$ 64,639	\$ -
GOEA - NSIP Grant	9,888	10,148	10,148	-
Public Support:				
Contributions	-	-	65	65
Program income	4,960	5,088	5,947	859
Interest income	-	-	-	-
Total Revenues	<u>79,487</u>	<u>79,875</u>	<u>80,799</u>	<u>924</u>
EXPENDITURES				
Current:				
Personnel	23,833	23,946	24,196	(250)
Fringe	2,633	2,593	2,667	(74)
Travel	59	103	138	(35)
Operating services	28,245	30,216	30,286	(70)
Operating supplies	57,244	56,650	57,278	(628)
Other costs	<u>1,824</u>	<u>1,872</u>	<u>1,872</u>	<u>-</u>
Total Expenditures	<u>113,838</u>	<u>115,380</u>	<u>116,437</u>	<u>(1,057)</u>
Excess (deficiency) of revenues over expenditures	<u>(34,351)</u>	<u>(35,505)</u>	<u>(35,638)</u>	<u>(133)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,351	35,505	35,638	133
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>34,351</u>	<u>35,505</u>	<u>35,638</u>	<u>133</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLAQUEMINES COUNCIL ON AGING, INC.
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE – TITLE III C-2 HOME DELIVERED MEALS
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs –				
Primary Grants	\$ 54,629	\$ 54,629	\$ 54,629	\$ -
GOEA - NSIP Grant	16,132	15,872	15,872	-
Public Support:				
Contributions	-	-	-	-
Program income	6,009	6,522	6,661	139
Interest income	-	-	-	-
Total Revenues	<u>76,770</u>	<u>77,023</u>	<u>77,162</u>	<u>139</u>
EXPENDITURES				
Current:				
Personnel	63,570	63,199	63,719	(520)
Fringe	6,851	6,732	6,807	(75)
Travel	105	180	242	(62)
Operating services	40,371	43,325	43,099	226
Operating supplies	89,861	85,652	86,571	(919)
Other costs	2,976	2,928	2,928	-
Total Expenditures	<u>203,734</u>	<u>202,016</u>	<u>203,366</u>	<u>(1,350)</u>
Excess (deficiency) of revenues				
Over expenditures	<u>(126,964)</u>	<u>(124,993)</u>	<u>(126,204)</u>	<u>(1,211)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	126,964	124,993	126,204	1,211
Transfers out	-	-	-	-
Total Other Financing Sources and Uses	<u>126,964</u>	<u>124,993</u>	<u>126,204</u>	<u>1,211</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLAQUEMINES COUNCIL ON AGING, INC.
NOTE TO REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION
June 30, 2018

NOTE 1 - BUDGETARY REPORTING

The budget information presented in this section of required supplementary financial information applies to "major" governmental funds for which annual budgets were adopted. Budgetary information for "non-major" 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 Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- Management projects Parish revenues based on past trends and data available at the Parish office to form expectations of future revenues.
- The revenue information supplied by GOEA and the Parish are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- 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 has been obtained to project revenues and expenditures, the Council's Executive Director prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to GOEA for compliance approval.
- 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 federal matching programs. The "match" might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

PLAQUEMINES COUNCIL ON AGING, INC.

NOTE TO REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION - CONTINUED

June 30, 2018

NOTE 1- BUDGETARY REPORTING - CONTINUED

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the Council's budget once at a board meeting on May 3, 2018, using a procedure similar to the one used to approve 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 in its budget as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs (GOEA) for funds received under grants from this agency. As part of its grant compliance, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.

Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.

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

PLAQUEMINES COUNCIL ON AGING, INC.

SUPPLEMENTARY SCHEDULE

SCHEDULE OF NON-MAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2018

	Title III C Agency Area Administration	Title III D Preventive Health	Title III E Caregiver	Senior Center	MIPPA	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs –						
Primary grants	\$ 22,315	\$ 3,846	\$ 21,888	\$ 36,002	\$ 1,800	\$ 85,851
Interest income	-	-	-	27	-	27
Total Revenues	<u>22,315</u>	<u>3,846</u>	<u>21,888</u>	<u>36,029</u>	<u>1,800</u>	<u>85,878</u>
EXPENDITURES						
Health, Welfare & Social Services						
Current:						
Personnel	10,120	4,548	25,447	28,215	-	68,330
Fringe	1,098	436	2,678	3,037	-	7,249
Travel	89	7	45	44	-	185
Operating services	9,927	743	4,472	4,740	-	19,882
Operating supplies	<u>1,158</u>	<u>89</u>	<u>1,581</u>	<u>1,513</u>	-	<u>4,341</u>
Total Expenditures	<u>22,392</u>	<u>5,823</u>	<u>34,223</u>	<u>37,549</u>	-	<u>99,987</u>
Excess (deficiency) of revenues over expenditures	<u>(77)</u>	<u>(1,977)</u>	<u>(12,335)</u>	<u>(1,520)</u>	<u>1,800</u>	<u>(14,109)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	77	1,977	12,335	1,520	-	15,909
Transfers out	-	-	-	-	(1,800)	(1,800)
Total Other Financing Sources and Uses	<u>77</u>	<u>1,977</u>	<u>12,335</u>	<u>1,520</u>	<u>(1,800)</u>	<u>14,109</u>
Net Increase (Decrease) in Fund Balances	-	-	-	-	-	-
FUND BALANCES						
Beginning of year	-	-	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PLAQUEMINES COUNCIL ON AGING, INC.

**SUPPLEMENTARY SCHEDULE
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS
For the Year Ended June 30, 2018**

	<u>Balance at 6/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/18</u>
CAPITAL ASSETS AT COST				
Vehicles	\$ 198,354	\$ -	\$ -	\$ 198,354
Furniture and equipment	<u>45,976</u>	<u>-</u>	<u>-</u>	<u>45,976</u>
Total capital assets at cost	<u>\$ 244,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,330</u>
INVESTMENT IN CAPITAL ASSETS				
Property acquired with funds from:				
State grant	\$ 87,010	\$ -	\$ -	\$ 87,010
Parish funds	152,885	-	-	152,885
Private donations	<u>4,435</u>	<u>-</u>	<u>-</u>	<u>4,435</u>
Total investment in capital assets	<u>\$ 244,330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,330</u>

PLAQUEMINES COUNCIL ON AGING, INC.

SUPPLEMENTARY SCHEDULE

**SCHEDULE OF COMPENSATION, REIMBURSEMENTS,
BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD**

For the Year Ended June 30, 2018

AGENCY HEAD: David Lewis, Executive Director

Salary	\$ 38,000
Registration fees	<u>500</u>
TOTAL	<u>\$ 38,500</u>

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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CRAIG M. FABACHER, CPA
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RICHARD J. RUMNEY, CPA

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

To the Board of Directors
Plaquemines Council on Aging, Inc.
Port Sulphur, 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 Plaquemines 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 Plaquemines Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated September 7, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Plaquemines 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 Plaquemines Council on Aging, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Plaquemines 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 Plaquemines Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
September 7, 2018

PLAQUEMINES COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS

June 30, 2018

A. SUMMARY OF AUDITORS' RESULTS:

1. The auditors' report expresses an unmodified opinion on the financial statements of the Plaquemines Council on Aging, Inc.
2. No material weaknesses and no significant deficiencies in internal control over financial reporting are reported in the Independent Auditors' 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.
3. No instances of noncompliance and no instances of other matters are reported in the Independent Auditors' 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.
4. No management letter was issued with this report.

B. FINDINGS RELATED TO COMPLIANCE AND OTHER MATTERS:

1. No current year findings.

C. PRIOR YEAR AUDIT FINDINGS:

1. No prior year findings.

Kushner LaGraize, L.L.C.

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S. DAVID KUSHNER*, CPA, CRFAC
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Plaquemines Council on Aging, Inc.
and the Louisiana Legislative Auditor:

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

I. Obtain the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

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

The entity does not have a formal budgeting policy and is not required to follow the Local Government Budget Act. However, the entity is required to submit an annual budget to the GOEA, which the entity's operations are based around. This budget is prepared by the entity's outside CPA, and any amendments require formal approval by the board.

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

We obtained the entity's policies on purchasing and noted no exceptions.

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

We obtained the entity's policies on disbursements and noted no exceptions.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

We obtained the entity's policies on receipts and noted no exceptions.

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

We obtained the entity's payroll and personnel policies and noted no exceptions.

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

We obtained the entity's policies on contracting and noted no exceptions.

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

We obtained the entity's policies on credit cards and noted no exceptions.

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

We obtained the entity's policies on travel and expense reimbursements and noted no exceptions.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

We noted the entity's ethics policies did not initially include all of the policies and procedures mentioned above. However, management has revised these policies to include all applicable criteria, without exception.

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

N/A – The entity does not issue debt, nor do they hold any debt.

Board or Finance Committee

2. Obtain and review the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

Observed that the board met with a quorum on a frequency in accordance with the entity's policies, without exception.

- b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

Observed that the board minutes referenced budget-to-actual comparisons, without exception.

- c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

N/A – No negative ending unrestricted fund balance in the prior year audit.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account.

We were provided with the listing showing all deposit accounts, including the main operating account and management's representation that this list was complete.

4. Using the listing provided by management, select the entity's main operating account and randomly select 4 additional accounts (or all if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

The entity's outside CPA prepares and submits monthly bank reconciliations to the Executive Director for review. Noted the bank reconciliations were not dated when prepared; however, we observed that the reconciliations are prepared and provided to the Executive Director in the month directly following the closing month via monthly financial statement packets. We do not consider this an exception.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Noted that bank reconciliations were not initialed or dated as reviewed; however, we observed that they are received and reviewed monthly by the Executive Director with a financial statement packet provided by the entity's outside CPA. The Executive Director often handles cash. He also has the authority to issue checks; however, the entity's policies require each check be signed by the Executive Director and a board member.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

N/A - We noted no items outstanding for more than 12 months from the statement closing date.

Collections

- 5. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

Management provided the listing showing all deposit sites and management's representation that the listing is complete.

- 6. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that::

Management provided the listing showing all collection locations and management's representation that the listing is complete.

- a) Employees that are responsible for cash collections do not share the same cash register or drawer with another employee.

Noted no employees responsible for cash collections share the same cash pouch with other cash collectors.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Noted no employees responsible for collecting cash are responsible for preparing/making bank deposits, without exception.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Noted no employee responsible for collecting cash is responsible for posting collection entries to the general ledger or subsidiary ledgers, without exception.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Noted employees responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers are not responsible for collecting cash, without exception.

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

Observed the insurance policy covering all employees responsible for cash collection, without exception.

8. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the deposits and:

- a) Observe that receipts are sequentially pre-numbered.

N/A - Due to the small volume of cash collections received, the entity does not utilize a sequential pre-numbered receipt system for their collections.

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

Traced all collections examined to donation forms, and traced the donation form totals to the corresponding deposit slip, without exception.

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

Traced each deposit slip total to the bank statements, without exception.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Due to the small volume of collections received, the entity does not make daily or weekly deposits. Any collections received are kept under lock and key in the Executive Directors office and deposited on the last business day each month. The days between receipt and deposit for the 2 deposits examined ranged from 2 to 30 days.

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

Traced each bank deposit to posting in the general ledger, without exception.

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

- 9. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Management provided the listing showing all locations and their representation that the listing is complete.

- 10. For each location selected under #9 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Noted that the Executive Director can initiate and make purchases. However, the entity's policies require each check to be signed by the Executive Director and a board members. The board member is provided with supporting documentation for each check issued which they review upon signing the check. Due to this mitigating control, we do not consider this an exception.

- b) At least two employees are involved in processing and approving payments to vendors.

Noted that the Executive Director can process payments and is also responsible for approving payments. However, the entity's policies require each check to be signed by the Executive Director and a board members. The board member is provided with supporting documentation for each check issued which they review upon signing the check. Due to this mitigating control, we do not consider this an exception.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Noted that the Executive Director can process payments and is also responsible for approving and reviewing vendor files. However, the entity's policies require each check to be signed by the Executive Director and a board members. The board member is provided with supporting documentation for each check issued which they review upon signing the check. Due to this mitigating control, we do not consider this an exception.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed check to an employee to mail who is not responsible for processing payments.

Noted that the Executive Director can process payments, mail checks, and is also responsible for signing checks. However, the entity's policies require each check to be signed by the Executive Director and a board members. The board member is provided with supporting documentation for each check issued which they review upon signing the check. Due to this mitigating control, we do not consider this an exception.

- 11. For each location selected under #9 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the distribution matched the related original invoice/billing statement.

Examined 5 disbursements noting each amount matched the original invoice/billing statement, without exception.

- b) Observe that the distribution documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #10, as applicable.

Examined 5 disbursements noting each was approved by the Executive Director, and the check was signed by the Executive Director and a board member, without exception.

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

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

Management provided the requested list and management's representation that the listing is complete.

13. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., major of a Lawrason Act municipality; these instances should not be reported.)]

We noted that the monthly card statements did not show evidence of review and approval of someone other than the authorized card holder. However, all checks are required to be signed by a board member. The board member is provided with supporting documentation for each check issued which they review upon signing the check. Due to this mitigating control, we do not consider this an exception.

- b) Observe whether finance charges and late fees were not assessed on the selected statements.

Selected 2 card statements for testing noting that the entity's Regions VISA card was charged a \$1.00 finance fee and a \$19.00 late fee.

14. Using the monthly statements or combined statements selected under #13 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, report whether the transaction is supported by:

- a) An original itemized receipt that identifies precisely what was purchased

Examined 6 transactions noting 1 transaction was not supported by an itemized receipt. The transaction lacking documentation was related to a reoccurring monthly IT support payment that the entity no longer makes.

- b) Written documentation of the business/public purpose.

Examined 6 transactions observing proper business purpose for each, without exception.

- c) Documentation of the individuals participating in meals (for meal charges only).

N/A – No meal expenses examined in the selected transactions.

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

15. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Management provided the requested listing and management's representation that the listing is complete.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration.

N/A – No per diem reimbursements included in the selected transactions.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Observed documentation for transactions selected noting that 4 meal expenses were not supported by an itemized receipt. A summary copy was provided for each.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure # 1h)

Observed written documentation of the business/public purpose for each transaction tested. However, for 4 meal transactions selected, noted no documentation of those individuals participating in the meals.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

N/A – No employee travel reimbursements included in the selected transactions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management provided the requested listing and management's representation that the listing is complete.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)

Observed daily attendance and leave records for each employee selected, without exception.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Observed supervisory approval for each employee selected, without exception.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Observed that leave for each employee selected was properly documented, without exception.

18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

N/A – No termination payment made during the period.

19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Obtained management's representation that all applicable payments/remittances have been paid and the appropriate forms filed by the required deadline, without exception.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

Observed documentation showing completion of ethics training for each employee selected, without exception.

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

Noted that management did not initially have a policy in place requiring employees to attest that they had read the entity's ethics policy. Therefore, there were no signed attestations provided for the 5 employees selected. The ethics policies have since been revised by management to include this policy.

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

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

Kushner LaGraize, L.L.C.

Metairie, Louisiana
September 26, 2018