

SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM

**FINANCIAL STATEMENTS
AND
AUDITORS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2017



Clothier & Company CPA's P. C.

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Sequoyah, Adair, and Cherokee County
 Senior Citizens Nutrition Program
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 June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program
Sallisaw, Oklahoma

We have audited the accompanying financial statements – cash basis of the governmental activities of Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program (SAC), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which comprise SAC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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.

As described in Note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of SAC as of June 30, 2017, and the respective changes in financial position thereof for the year then ended on the basis of accounting as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise SAC's financial statements. The accompanying schedule of expenditures of federal and state awards, as required by The Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 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 is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2017 on our consideration of SAC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SAC's internal control over financial reporting and compliance.



Clothier and Company, CPA's, PC
Muskogee, OK
November 22, 2017

SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM
Balance Sheet - Cash Basis
June 30, 2017

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 401,842
Total Assets	<u>\$ 401,842</u>

LIABILITIES AND FUND BALANCES

Current Liabilities	<u>\$ 3</u>
Restricted Fund Balance	\$0
Temporarily Restricted Fund Balance	0
Unrestricted Fund Balance	401,839
Total Liabilities and Fund Balances	<u>\$ 401,839</u>

See accompanying footnotes and independent auditors' report.

SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM
Statement of Revenues, Expenses, and Changes in Fund Balances-Cash Basis
June 30, 2017

Revenues

Advantage Program Income	\$	1,502,724
MMOG Income		161,909
AAA Grant Income		1,821,910
AAA Program Income		<u>120,549</u>
 Total Operating Revenues		 3,607,092

Expenditures

Advantage Program Expenditures		1,723,920
AAA Program Expenditures		<u>1,942,460</u>
 Total Expenditures		 3,666,380

Non-Operating Revenues (Expenses)

Other General Revenue		<u>84,384</u>
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Change in Net Assets

		25,096
Restricted Fund Balance - Beginning		0
Temporarily Restricted Fund Balance - Beginning		0
Unrestricted Fund Balance - Beginning		<u>376,743</u>
 Restricted Fund Balance - Ending		 0
Temporarily Restricted Fund Balance - Ending		0
Unrestricted Fund Balance - Ending	\$	<u><u>401,839</u></u>

See accompanying footnotes and independent auditors' report.

**SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM**

Schedule of Advantage Expenditures

June 30, 2017

EXPENDITURES

Wages	\$	318,799
Payroll Taxes		27,799
Employee Benefits		9,676
Workman's Compensation		7,231
Travel		22,182
Food Costs		175,773
Equipment		55,000
Rent/Utilities		23,144
Other Costs		299,470
Food Costs - Cold Meals		784,846
		<hr/>
Total Expenditures	\$	<u>1,723,920</u>

See accompanying footnotes and independent auditors' report.

**SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM**

Schedule of AAA Expenditures

June 30, 2017

EXPENDITURES

III-B - Wages	\$	167,904
III-B - Payroll Taxes		20,888
III-B - Employee Benefits		20,532
III-B - Workman's Compensation		6,675
III-B - Travel		8,983
III-B - Equipment		0
III-B - Other Costs		69,357
III-B - Rent/Utilities		388
III-C1- Wages		389,991
III-C1- Payroll Taxes		25,127
III-C1- Employee Benefits		25,829
III-C1- Workman's Compensation		8,950
III-C1- Travel		28,200
III-C1- Food Costs		265,011
III-C1- Equipment		3,989
III-C1- Rent/Utilities		44,542
III-C1- Other Costs		83,614
III-C1- Nutrition Consultant		23,040
III-C2- Wages		246,626
III-C2- Payroll Taxes		17,160
III-C2- Employee Benefits		16,792
III-C2- Workman's Compensation		6,067
III-C2- Travel		13,165
III-C2- Food Costs		155,408
III-C2- Rent/Utilities		29,168
III-C2- Other Costs		63,142
III-C2- Equipment		0
III-C2- Nutrition Consultant		15,360
Food Costs - NSIP		186,552
		<hr/>
Total Expenditures	\$	<u><u>1,942,460</u></u>

See accompanying footnotes and independent auditors' report.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program (SAC) is a district agency which provides congregate and in-home meals as well as transportation, nutrition education and other supportive services to the elderly in the three county area plus McIntosh, Muskogee, and Wagoner Counties. SAC also provides Outreach Services to Okmulgee County. SAC's funding is from two separate programs, a grant through Eastern Oklahoma Development District Area Agency on Aging (AAA) and a contract through the State Medicare program known as Advantage Contract Meals.

Basis of Accounting

The district accounts for all funds using the cash method of accounting, in accordance with reports submitted to Eastern Oklahoma Development District. Therefore, the following policies were applied:

Grant and contracts funds are recognized as revenue when received by the program.

All purchases are considered expenditures in the period paid.

SAC's financial statements are prepared using a method other than Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although SAC had the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, SAC has chosen not to do so.

Use of Estimates

The preparation of the accompanying financial statements in conformity with the cash basis of accounting requires management to make certain estimates and assumptions that directly affect the results of reported amounts. Actual results may differ from these estimates.

Cash and Cash Equivalents

For the purpose of reporting, SAC considers all highly liquid instruments with an original maturity of three months or less to be cash. Deposits not covered by the FDIC are to be collateralized.

Revenue

Other than the grant and Advantage income, SAC collects voluntary donations for Part B and C services. These donations are used to expand the service for which they are collected. SAC is

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program

dependent on the funds received from Title III and Advantage. Cuts in funding have a big effect on the number of people that can be served.

NOTE 2 - GRANTS

Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program received a Title III Grant from Eastern Oklahoma Development District Area Agency Aging for fiscal year 2017. The grant decreased 2 % from 2016 and project income decreased 7.36%. Title III programs are not based on income or assets of the elderly.

The Title III-B program was awarded \$290,627 for social services for the elderly. This includes:

- Homemakers going to the homes and doing light cleaning and running errands for the elderly.
- Transportation to the nutrition sites, doctors, grocery stores, and pharmacy is also provided in this program.
- Outreach Services links persons age 60 and older with services to assist them with living independently.

The Title III-C-1 program was awarded \$828,423 for congregate meals for the elderly. This includes:

- All the Senior Citizens Nutrition Program sites that serve meals.
- Social activities.

The Title III-C-2 program was awarded \$516,308 for home delivered meals. These are hot meals delivered to the elderly that are unable to go to the Nutrition sites.

The Title III-D program was awarded \$0 for health promotion. This program provides medication management and education along with exercise programs to the elderly.

The Title III-E program was awarded \$0 for caregiver support. This program addresses the need to acknowledge and encourage the role caregivers play in the home and community-based services system.

USDA awarded \$186,552 to the program.

NOTE 3 - ADVANTAGE PROGRAM

The Nutrition Program received Advantage money from the State Medicaid program in the amount of \$1,502,724 for the 2016/2017 fiscal year. This program provides federal and state funded in-home services to older Oklahoman's and adults with physical disabilities who are medically and financially eligible to receive nursing facility care under Medicaid guidelines; administered through a contractual agreement by the Department of Human Services, Aging Services and the Long-Term Care Authorities of Tulsa and Enid. The Department of Human Services nurses utilize a uniform comprehensive assessment tool (UCAT) to determine level of care. SAC receives a set amount for each meal provided. Very few of the meals are hot, most are frozen or shelf meals and come pre-packaged. Due to the location of the clients, the meals are not delivered daily, but they deliver up to two weeks of meals at a time. These clients are in rural

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program

areas that the Title III program does not serve. Because the hot meals are prepared in the Title III sites, the Advantage program reimburses Title III for food, repairs, equipment, and fuel. Total reimbursements for 2016/2017 were \$179,000.

NOTE 4 - OTHER FUNDING

Sac Nutrition was awarded \$180,000 from the City of Muskogee Foundation through Neighbors Building Neighborhoods for the fiscal year 2016/2017. The money will be used to fund Muskogee Meals on the Go and will provide low income seniors and persons with disabilities in the city limits of Muskogee meals. This will be contract meals and will be carried out similar to Advantage meals. During the 2016/2017 fiscal year SAC received \$161,909 from the Foundation. Neighbors Building Neighborhoods kept \$18,091 for administrative fees. The expenses are included in the Advantage expenses.

NOTE 5 - CASH AND CASH EQUIVALENTS

Custodial Credit Risk is the risk that in the event of a bank failure, SAC's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. SAC maintains deposits at several financial institutions located in Sallisaw and the surrounding towns. A public unit is insured through its official custodian. If the same individual or individuals are official custodian for more than one public unit, they are treated as one official custodian if action or consent by all of these individuals is required for the exercise of control over funds of a single public unit. Deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each financial institution. As of June 30, 2017, cash balances totaled \$401,842. The under insured receipts are covered by pledged receipts.

NOTE 6 - RISKS AND UNCERTAINTIES

97.71% of SAC's support was provided through grants and contracts with Federal and State agencies to provide the services described in Notes 2, 3, & 4 for senior citizens in Sequoyah, Adair, Cherokee, McIntosh, Muskogee and Wagoner Counties.

State and Federal funds provided under the grants are subject to reduction in the event of a shortfall of funding and/or a failure to maintain minimum service levels.

NOTE 7 - RELATED PARTY TRANSACTIONS

There were no material related party transactions.

NOTE 8 - CONTINGENCIES

Grant expenditures are subject to financial and compliance audits by the grantor agencies or their representatives. Such audits could lead to requests for reimbursements to the grantor agency for expenditures that are disallowed under the terms of the grant. SAC believes that the amount of the expenditures that could be disallowed by the grantor agencies, if any, would not be significant.

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program

Mom's Meals out of Iowa and Homestyle Direct out of Idaho have come into the state as a meal provider. Mom's Meals trucks are delivering meals in Sallisaw, as well as using the drop ship companies like UPS or FedEx. SAC has lost clients and it has impacted the Advantage program.

NOTE 9 - EVALUATION OF SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date the financial statements were available to be issued and no event was found that needed disclosed. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Supplemental Information

SEQUOYAH, ADAIR, AND CHEROKEE COUNTY
SENIOR CITIZENS NUTRITION PROGRAM
Schedule of Expenditures of Federal and State Awards - Cash Basis
June 30, 2016

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Program or Award Amount	Balance 7/1/2016	Revenue	Expenditures	Balance 6/30/2017
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Passed through Eastern Oklahoma Development District- Area Agency on Aging Services						
	III - B	93.044	\$247,033	\$0	\$247,033	\$247,033 ◆ \$0
	III - C-1	93.045	383,420	0	383,420	383,420 ◆ 0
	III - C-2	93.045	190,431	0	190,431	190,431 ◆ 0
	III - E	93.052	0	0	0	0 ◆ 0
	USDA	10.550	186,552	0	186,552	186,552 ◆ 0
			1,007,436	0	1,007,436	1,007,436 0
State Grantor/ Pass-through Grantor/ Program or Cluster Title						
Eastern Oklahoma Development District- Area Agency on Aging Services						
	III - B		\$43,594	\$0	\$43,594	\$43,594 \$0
	III - C-1		445,003	0	445,003	445,003 0
	III - C-2		325,877	0	325,877	325,877 0
	III - E		0	0	0	0 0
			814,474	0	814,474	814,474 0
			\$1,821,910	\$0	\$1,821,910	\$1,821,910 \$0

◆- Major Programs

See accompanying footnotes and auditors' report.



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**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***

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program
Sallisaw, Oklahoma

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 governmental activities of Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program (SAC) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise SAC's basic financial statements, and have issued our report thereon dated November 22, 2017.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 SAC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Clothier & Company, CPA's, P.C.
Muskogee, OK
November 22, 2017



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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program
Sallisaw, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program's (SAC) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program's (SAC)'s major federal programs for the year ended June 30, 2017. SAC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to each of its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of SAC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about SAC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of SAC's compliance.

Opinion on Each Major Federal Program

In our opinion, Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of SAC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered SAC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities – cash basis of Sequoyah, Adair, and Cherokee County Senior Citizens Nutrition Program as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise SAC's financial statements. We issued our report thereon dated November 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements taken as a whole.



Clothier & Company, CPA's, P.C.
Muskogee, OK
November 22, 2017

Sequoyah, Adair, and Cherokee County
 Senior Citizens Nutrition Program
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Period Ended June 30, 2017

Summary of Prior Year Findings

Condition: No prior year findings

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued. – Unqualified

Internal control over financial reporting:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weaknesses identified? yes no
- Significant deficiencies identified? yes none reported

Type of auditors’ report issued on compliance for major programs – Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR section 200.516? yes no

Identification of major programs:

Major programs - U.S. Department of Health and Human Services Area Agency on Aging Services Program.

CFDA Numbers

93.043
 93.044
 93.045
 10.550

Name of Federal Program or Cluster

III-D
 III-B
 III-C1, III-C2
 USDA

Sequoyah, Adair, and Cherokee County
Senior Citizens Nutrition Program

Dollar threshold used to distinguish between type A and
type B programs:

\$300,000.00

Auditee qualified as a low-risk auditee?

X yes no

Section II – Financial Statement Findings

None.

Section III – Federal Award Findings and Questioned Costs

None.