

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

JUNE 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/05

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SHREVEPORT, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS.

The following discussion and analysis of Caddo Council On Aging, Inc. financial performance provides an overview of the Council's financial activities for the year ending June 30, 2004. This discussion should be read in conjunction with the Audited Financial Statements, which begin on page 1.

Financial Highlights

- The Council had a net decrease in overall net assets of 94,436 this year.
- Net Capital Assets of the Council decreased by \$71,221.
- No deficit fund balance exists at year-end.
- The unreserved, undesignated fund balance for the Council's General Fund was \$372,083 at year-end, which is a \$2,431 increase from the prior year.

How To Use This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and The Statement of Activities (on pages 3 and 4) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. The Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balance (on page 5-7) provide information on how services were financed in the short-term as well as what remains for future spending. Budgetary Comparison Schedules for the Council's major funds are on pages 23-26. These schedules compare Original Budget and Final Budget to Actual amounts for the year. The Schedule of Revenues, Expenditures, and Changes in Fund Balance for non-major funds is on page 27. These schedules report in more detail the expenses of the non-major funds.

Our auditor has provided assurance in his independent auditor's report, located after the Management's Discussion and Analysis that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by Governor's Office of Elderly Affairs and OMB Circular A-133 that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to determine the level of assurance being provided for each part of the financial section of the report.

A. The Council as a Whole Using Government-Wide Statements

Our Analysis of the Council's finances as a whole begins on page iv. An important question to ask about the Council's finances is, "What was the impact as a result of the year's activities?" The Statement of Net Assets and Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Council's net assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider *other non-financial factors, such as the condition of the Council's capital assets, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.*

The Statement of Activities provides information that shows how the Council's net assets changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include but are not limited to an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nutritional services, and disease prevention and health promotion. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services the agency provides to the elderly. The people benefiting from the services are not required to pay for the services received. If the Council charged fees to cover all or most the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities. However, the Council does have a paid meal program, and a small monthly fee is charge to seniors who are financially able to pay a portion of the home delivered meal cost. We do not view the fees we charge for these activities as a business-type activity because we do not recover the full cost of providing the service.

B. Reporting the Council's Special Funds Using Fund Financial Statements

Our analysis of the Council's special funds begins on page ix. The General Fund is used to account for all financial resources that are not restricted to specific funds. The Council's special funds are either major funds or non-major funds. Major funds are those funds whose revenues, expenses, assets or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is important to present for the Council's financial statement users. The Budgetary Statements for the Council's major funds are on pages 23 to 26. These reports compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. The Council major funds are the General Fund, Title IIIB Supportive Services Fund, Title IIIC-2 Home Delivered Meals Fund and Foster Grandparents Fund. The Fund Financial Statement for the Council's non-major funds is on page 27.

The special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. By using separate funds to track revenues and expenditures, we can control and manage funds for particular purposes or we can show that the fund is meeting legal responsibilities for using certain grants and other money.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. *The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic service it provides.* Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The difference between the net assets of governmental activities and fund balances of the governmental funds is presented in reconciliation at the bottom of the Balance

Sheet for Governmental Funds, which is on page 5. In addition, the difference between the change in net assets for the governmental activities and the change in fund balance for the governmental funds has been presented in reconciliation on page 8.

C. Notes to the Financial Statements

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 9 to 22.

D. Analysis Of The Council As A Whole Using Government-Wide Financial Statements

Condensed information on the Council's net assets:

Table 1

| | <u>2004</u> | <u>2003</u> |
|---|-----------------------|-----------------------|
| Assets: | | |
| Current and other assets | 603,675 | 620,110 |
| Capital Assets, net of accumulated depreciation | 111,343 | 182,564 |
| Total Assets | <u>715,018</u> | <u>802,674</u> |
| Liabilities: | | |
| Other Liabilities | 41,626 | 36,364 |
| Accrued Compensated Absences | 32,014 | 30,497 |
| Total Liability | <u>73,640</u> | <u>66,861</u> |
| Net Assets: | | |
| Fund Balance Reserve | 196,128 | 226,032 |
| Fund Balance Unreserved/Undesignated | 333,907 | 327,217 |
| Investment in Capital Assets net of debt | 111,343 | 182,564 |
| Total Net Assets | <u>641,378</u> | <u>735,813</u> |

As of June 30, 2004, the Council "as a whole" had assets greater than its liabilities by \$641,378. However, the Council's total net assets decreased from \$735,813 to \$641,378. This equates to a

decrease of 12.83%. The decrease in Capital Assets is due to the disposal of three transportation vans this year.

The Council's unrestricted net assets actually increased by \$6,690 or 2.04%. It is important for the Council to have unrestricted net assets so that resources are available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in grant revenues by government agencies.

The Council restricted net assets decreased by \$29,904 or 13.23% because the Council has been able to meet the constraints imposed by the donors or grantors of the resources. Net assets are reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The liability for compensated absences increased by \$1,517. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. This amount varies from year to year because it is dependent on the vacation patterns of the employees, the number of employees, and the hourly rate of pay. This liability could adversely affect the Council's financial position if we were to lay off a significant portion of its workforce. This event would trigger the immediate payment of unused vacation to terminated employees resulting in the Council having to use unrestricted net assets to make the payment.

Other liabilities increased by \$5,262 or 14.47%. The majority of the amount from other liabilities is attributable to costs for this year that were not paid at June 30th. The Council does not have long-term liabilities.

Table 2 illustrates the revenues and expenses that caused the change in net assets. Since this is the Council's first year to adopt GASB 34, all information required to compile this report for FY-2003 was not available. Next year's report will include a comparison of the current and prior year.

Condensed information on the Decrease In Net Assets

Table 2

| | <u>2004</u> |
|--|------------------|
| Revenues: | |
| Program Revenues | |
| Operating Grants and Contributions | 2,446,865 |
| General Revenues | |
| Unrestricted Grants and contributions | 220,534 |
| Total Revenues | <u>2,667,399</u> |
| Governmental Activities: | |
| Health, Welfare & Social Services: | |
| Supportive Services: | |
| Personal Care | 22,189 |
| Other Services | 45,154 |
| Homemaker | 79,219 |
| Information and Assistance | 74,385 |
| Outreach | 644 |
| Transportation | 172,608 |
| Legal | 12,400 |
| Nutrition Services: | |
| Congregate Meals | 212,303 |
| Home Delivered Meals | 697,107 |
| Nutritional Incentive Program | 137,871 |
| Utility Assistance | 1,409 |
| Disease Prevention and Health Promotion | 15,439 |
| National Family Caregiver Support: | |
| NFCSCP In-Home Respite | 72,557 |
| Other Services | 33,011 |
| Ombudsman | 101,446 |
| Retired Senior Volunteer Program | 96,196 |
| Foster Grandparent Program | 425,867 |
| Senior Center | 38,327 |
| Audit | 14,400 |
| Other Local | 102,551 |
| Administration | 406,752 |
| Total Governmental Activities: | <u>2,761,835</u> |
| Excess (Deficiency) of Revenue over Expenses | (94,436) |

E. An Analysis Of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. These grants represent 90% of the revenues of the Council for this year. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients and the general public. These revenues help to lessen the financial burden of the Council and help it to maintain services. Public support revenues represented 5% of the total revenues.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see in Table 3, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Caddo Parish. There is a high demand for this service; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. The Council's budgets were prepared with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities

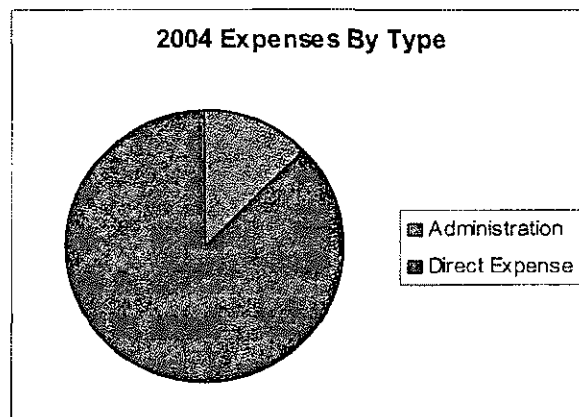
Table 3 shows the services provide this year with a comparison for FY-2003. The table also indicates how services are measured.

Table 3

Units of Service

| | Measurable Unit | 2004 | 2003 |
|--------------------------------|-----------------|---------|---------|
| Congregate Meals | Meal | 48,407 | 60,444 |
| Crime Prevention | Contact | 29,883 | 28,891 |
| Homemaker | Hour | 6,257 | 8,614 |
| Home Delivered meals | Meal | 172,766 | 125,864 |
| Information & Assistance | Contact | 1,909 | 2,116 |
| Legal | Hour | 359 | 440 |
| Medication Management | Hour | 443 | 368 |
| NFCSP In-Home Respite | Hour | 6,255 | 5,291 |
| NFCSP Information & Assistance | Contact | 120 | 188 |
| NFCSP Personal Care | Hour | 844 | 969 |
| Nutrition Counseling | Hour | 481 | 450 |
| Nutrition Education | Session | 41 | 31 |
| Outreach | Contact | 72 | 96 |
| Personal Care | Hour | 1,373 | 1,228 |
| Recreation | Contact | 46,581 | 62,608 |
| Telephoning | Contact | 1,110 | 1,586 |
| Transportation | One Way Trip | 16,344 | 32,996 |
| Wellness | Contact | 46,350 | 59,769 |

Graph 1



Graph 1 shows the relationship of administrative expenses to direct expenses. As stated previously, this is the Council's first year to adopt GASB 34, all information required to compile this graph for FY-2003

was not available. Next year's report will include a comparison of the current and prior year's administrative and direct expenses.

Comparing the amount of administration costs as well as calculating the percentage administration expenses bears in relation to total expenses can analyze another indication of how we are using money efficiently. Total administration expenses for this year were \$406,752 or 14.73%.

F. An Analysis Of The Council's Funds Using Governmental Fund Financial Statements

Fund Balances

The Council showed a combined governmental fund balance of \$562,049 (as shown on the Fund Financial Statement's balance sheet on page 5) at the end of this year, which is a decrease of \$21,694 from last year. However, when you look at the funds individually you will see that the Council's General Fund actually increased by \$2,431 this year, while the Special Revenue Funds had a combined fund balance decrease of \$24,125.

The Council's General Fund revenues are comprised of Legislative Funds, City of Shreveport, Caddo Parish Commission, and General Donations from the public and interest income earned on unrestricted funds. These funds supplement the expenses of the following programs: Supportive Services, Home Delivered Meals, Paid Meal Programs, Ombudsman, Preventive Health, Audit, and Caregiver programs. Also, the Council is the sponsoring agency for the Foster Grandparent and Retired Senior volunteer program. According to the guidelines for these programs indirect costs are not allowable. Therefore, the General fund absorbs indirect cost attributable to these two programs.

The Foster Grandparent program's fiscal year is January thru December. Therefore, the figures for this fund reflect revenues and expenses for half of its current fiscal year and half of its past fiscal year.

The decrease in the Special Revenue Funds is due primarily to the Council using prior year funds restricted for nutrition services in order to maintain Home Delivered Meal service to the seniors. The Nutrition programs are funded in part with funds from the Nutrition Incentive Service Program grant. Depending on the number of meals served, the timing of public grants and donations, and the amount of grant funds available to use in this program, it is possible that funds received under the Nutrition Service Incentive Program may not be needed during a fiscal year to help pay for the program's costs. Any unused Nutrition Service Incentive Program grant funds are recorded as a restricted net asset of the Nutrition Services program and will be available for use next year if necessary.

Revenues

The total of funds available for each fund/grant remains rather constant from year to year.

Even though there was an increase of \$31,507 in funding from The Governor's Office of Elderly Affairs, there was a notable decrease in the amount of revenue recognized this fiscal year for a local grantor. This was due to the fact that the grant is a cost reimbursement grant; funds are requested as expenses occur. Therefore the amount of revenue recognized from year to year may vary significant even though the total grant amount may be the same.

Expenses

Total expenditures increased by \$92,077 this year. Some of the notable reasons why this occurred are as follows:

Local Travel expenditures increased due to an increase of 4 additional Home Delivered Meal Routes.

Meals expenditures increased due to an increase in the number of meals served daily and an increase in the cost per meal paid to our food vendor.

G. Analysis Of The General Fund Budget

Over the course of this past fiscal year the budget was amended twice. The amendments were approved at a Board of Directors meeting on November 19, 2003 and May 19, 2004. The first amendment was to budget an increase in funds received from the Governors Office of Elderly Affairs. The final amendment approved any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from The Governors Office of Elderly Affairs.

You can find schedules of the original and amended budgets for the Major Funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 23 to 26. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that was made at the beginning of the year. With only two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

H. Analysis Of Capital Asset And Debt Administration

At the end of the year, the Council had \$111,343 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$71,221 from last year.

Table 4 - Capital Assets, Net of Depreciation at Year End

Governmental Activities

| | 2004 | 2003 |
|-------------------------|---------|---------|
| Vehicles | 96,418 | 158,288 |
| Furniture and Equipment | 14,925 | 24,276 |
| Total Capital Assets | 111,343 | 182,564 |

The major disposals this year of the Council's fixed assets were the sale of three vans. In order to operate the transportation department more efficiently the Council sold the oldest vans. The Council does not have any long-term debt related to its capital assets.

I. Economic Factors And Next Year's Budgets

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather constant. All of the Council's grants and contracts from the usual federal and state agencies have been approved for FY-2005. In FY-2005 the Council was granted the Senior Rx program from The Governor's Office of Elderly Affairs. Some of the Council's local grantors operate on a calendar year, as of today notification has not been received of funding level for CY-2005 for these grantors. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Council's budget for next year.

Contacting The Council's Management

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mary Alice Rountree, the Council's Executive Director, at the Council's main office located at 4015 Greenwood Road, Shreveport, LA 71109, by phone at 318-632-2090, or by email at ccoa@sport.rr.com.

AUDITED FINANCIAL STATEMENTS

**HEARD
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& VESTAL**
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September 8, 2004

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, Inc., as of and for the year ended June 30, 2004, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Caddo Council on Aging, Inc.'s management. 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 *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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, Inc., as of June 30, 2004, and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1.c., the Council has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis-For State and Local Governments*, as of June 30, 2004.

The accompanying required supplementary information, consisting of management's discussion and analysis and budgetary comparison information on Pages i through xi and 23 through 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

HMV

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Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements of Caddo Council on Aging, Inc. The supplementary financial information listed in the table of contents for Pages 27 through 28 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2004 on our consideration of Caddo Council on Aging's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Heard, McElroy & Vestal, LLP

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF NET ASSETS

AT JUNE 30, 2004

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| <u>Assets:</u> | |
| Cash | 533,646 |
| Accounts receivable | 374 |
| Grants receivable | 31,479 |
| Prepaid expenses | 38,176 |
| Capital assets, net of accumulated depreciation | <u>111,343</u> |
| Total assets | 715,018 |
| <u>Liabilities:</u> | |
| Accounts payable | 37,248 |
| Deferred revenue | 4,378 |
| Accrued compensated absences | <u>32,014</u> |
| Total liabilities | <u>73,640</u> |
| <u>Net assets:</u> | |
| Fund balance reserve | 196,128 |
| Fund balance unreserved/undesignated | 333,907 |
| Investment in capital assets, net of debt | <u>111,343</u> |
| Total net assets | <u>641,378</u> |

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Direct</u> <u>Expenses</u> | <u>Indirect</u> <u>Expenses</u> |
|---|----------------------------------|------------------------------------|
| <u>Programs:</u> | | |
| Governmental Activities | | |
| Health, Welfare & Social Services: | | |
| Supportive Services: | | |
| Personal care | 22,189 | 2,351 |
| Other services | 45,154 | 4,784 |
| Homemaker | 79,219 | 8,395 |
| Information and assistance | 74,385 | 7,882 |
| Outreach | 644 | 70 |
| Transportation | 172,608 | 18,209 |
| Legal | 12,400 | - |
| Net change in supportive services | | |
| Nutrition Services | | |
| Congregate meals | 212,303 | 23,995 |
| Home delivered meals | 697,107 | 69,678 |
| Nutritional incentive program | 137,871 | - |
| Utility assistance | 1,409 | - |
| Disease prevention and health promotion | 15,439 | 1,680 |
| National family caregiver support | | |
| NFCSCP in-home respite | 72,557 | 7,160 |
| Other services | 33,011 | 3,257 |
| Net change in national family caregiver support | | |
| Ombudsman | 101,446 | 9,938 |
| Retired senior volunteer program | 96,196 | - |
| Foster grandparent program | 425,867 | - |
| Senior center | 38,327 | - |
| Audit | 14,400 | - |
| Other local | 102,551 | 8,851 |
| AAA and administration | <u>406,752</u> | <u>(166,250)</u> |
| Total governmental activities | <u>2,761,835</u> | <u>-</u> |

The accompanying notes are an integral part of this statement.

| <u>Program Revenues</u> | <u>Operating Grants and Contributions</u> | <u>Net (Expense) Revenue and Increase (Decrease in Net Assets) Total Governmental Activities</u> |
|---------------------------------|---|--|
| <u>Charges for Services</u> | | |
| - | 373,288 | 373,288 |
| - | - | (24,540) |
| - | - | (49,938) |
| - | - | (87,614) |
| - | - | (82,267) |
| - | - | (714) |
| - | - | (190,817) |
| - | - | (12,400) |
| - | | <u>(75,002)</u> |
| - | 236,298 | - |
| - | 625,447 | (141,338) |
| - | 108,089 | (29,782) |
| - | 350 | (1,059) |
| - | 15,305 | (1,814) |
| - | 111,371 | 111,371 |
| - | - | (79,717) |
| - | - | (36,268) |
| - | | <u>(4,614)</u> |
| - | 110,597 | (787) |
| - | 96,196 | - |
| - | 421,100 | (4,767) |
| - | - | (38,327) |
| - | 6,942 | (7,458) |
| - | 104,826 | (6,576) |
| - | <u>237,056</u> | <u>(3,446)</u> |
| - | <u>2,446,865</u> | (314,970) |

General revenues:

| | |
|--|----------------|
| Grants and contributions not restricted to specific programs | <u>220,534</u> |
| Increase (decrease) in net assets | (94,436) |
| Net assets-beginning of year | <u>735,814</u> |
| Net assets-ending of year | <u>641,378</u> |

CADDO COUNCIL ON AGING, INC.

BALANCE SHEET-GOVERNMENTAL FUNDS

AT JUNE 30, 2004

| | <u>General Fund</u> | <u>Title IIIB</u> | <u>Title III C-2</u> | <u>Foster Grandparent</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|---|-------------------------|---------------------|----------------------|-------------------------------|---------------------------|-----------------------|
| <u>Assets:</u> | | | | | | |
| Cash | 489,648 | - | - | - | 43,998 | 533,646 |
| Accounts receivable | 374 | - | - | - | - | 374 |
| Grants receivable | - | 2,018 | 9,193 | 13,444 | 6,826 | 31,481 |
| Due from other funds | - | - | - | - | 151,585 | 151,585 |
| Prepaid expenses | <u>38,176</u> | - | - | - | - | <u>38,176</u> |
| Total assets | <u>528,198</u> | <u>2,018</u> | <u>9,193</u> | <u>13,444</u> | <u>202,409</u> | <u>755,262</u> |
| <u>Liabilities:</u> | | | | | | |
| Accounts payable | 17,551 | 1,026 | 9,093 | 783 | 8,797 | 37,250 |
| Due to other funds | 138,528 | 992 | 100 | 4,171 | 7,794 | 151,585 |
| Deferred income | <u>36</u> | - | - | - | <u>4,342</u> | <u>4,378</u> |
| Total liabilities | <u>156,115</u> | <u>2,018</u> | <u>9,193</u> | <u>4,954</u> | <u>20,933</u> | <u>193,213</u> |
| <u>Fund balances:</u> | | | | | | |
| Reserved for: | | | | | | |
| Prepaid expenses | 38,176 | - | - | - | - | 38,176 |
| Restricted programs | - | - | - | - | - | - |
| Unreserved/undesignated: | | | | | | |
| General Fund | 333,907 | - | - | - | - | 333,907 |
| Special Revenue Fund | - | - | - | <u>8,490</u> | <u>181,476</u> | <u>189,966</u> |
| Total fund balances | <u>372,083</u> | <u>-</u> | <u>-</u> | <u>8,490</u> | <u>181,476</u> | <u>562,049</u> |
| Total fund balance and liabilities | <u>528,198</u> | <u>2,018</u> | <u>9,193</u> | <u>13,444</u> | <u>202,409</u> | <u>755,262</u> |

Total fund balances 562,049

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

- Vacation liability is not paid for out of current financial resources and is therefore not reported in the funds (32,014)
- Capital assets used in governmental activities are not financial resources and therefore not reported in the funds 111,343

Net assets of governmental activities 641,378

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Incl's PCOA General Fund</u> | <u>Title IIIB Supportive Services</u> | <u>Title III C-2 Home Delivered Meals</u> | <u>Foster Grandparents</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|--|---|---|---|--------------------------------|---------------------------|------------------|
| <u>Revenues</u> | | | | | | |
| Intergovernmental: | | | | | | |
| GOEA | 59,682 | 342,743 | 358,100 | 20,556 | 813,711 | 1,594,792 |
| Corporation for National Service | - | - | - | 345,174 | 67,022 | 412,196 |
| Caddo Parish Commission | 67,045 | - | - | - | - | 67,045 |
| City of Shreveport | 67,500 | - | - | - | - | 67,500 |
| Community Development Block Grant | - | 20,227 | 56,119 | - | 7,929 | 84,275 |
| FEMA | - | - | 16,660 | - | - | 16,660 |
| Public Support | | | | | | |
| United Way | - | - | - | - | 12,912 | 12,912 |
| Donations unrestricted | 4,480 | - | - | - | - | 4,480 |
| Donations restricted | - | 64 | 17,913 | - | 13,070 | 31,047 |
| Participant and program income | - | 10,069 | 13,800 | - | 75,433 | 99,302 |
| Fund raising revenues | - | - | - | - | 31,914 | 31,914 |
| Interest income | 2,701 | - | - | - | - | 2,701 |
| Other income | 2,076 | 185 | 3,591 | 147 | 5,625 | 11,624 |
| In-kind | - | - | - | 55,201 | 12,988 | 68,189 |
| Total revenues | <u>203,484</u> | <u>373,288</u> | <u>466,183</u> | <u>421,078</u> | <u>1,040,604</u> | <u>2,504,637</u> |
| <u>Expenditures</u> | | | | | | |
| Salaries | 29,420 | 287,286 | 197,565 | 48,657 | 336,876 | 899,804 |
| Fringe benefits | 3,527 | 39,400 | 21,181 | 4,790 | 41,454 | 110,352 |
| Travel | 1,695 | 12,475 | 85,455 | 5,853 | 34,202 | 139,680 |
| Operating services | 11,426 | 65,588 | 37,053 | 20,935 | 106,273 | 241,275 |
| Operating supplies | 4,496 | 27,830 | 12,443 | 3,801 | 22,982 | 71,552 |
| Other costs | 13,348 | 14,939 | 2,116 | 52,876 | 112,024 | 195,303 |
| Stipends | - | - | - | 233,754 | - | 233,754 |
| Meals: | | | | | | |
| Raw food | - | - | 207,372 | - | 79,700 | 287,072 |
| Labor/nonedibles | - | - | 203,600 | - | 78,570 | 282,170 |
| Capital outlay | 1,800 | - | - | - | - | 1,800 |
| In-kind | - | - | - | 55,201 | 12,988 | 68,189 |
| Total expenditures | <u>65,712</u> | <u>447,518</u> | <u>766,785</u> | <u>425,867</u> | <u>825,069</u> | <u>2,530,951</u> |
| <u>Excess (deficiency) of revenues over expenditures</u> | | | | | | |
| | 137,772 | (74,230) | (300,602) | (4,789) | 215,535 | (26,314) |

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Incl's PCOA General Fund</u> | <u>Title IIIB Supportive Services</u> | <u>Title III C-2 Home Delivered Meals</u> | <u>Foster Grandparents</u> | <u>Nonmajor Funds</u> | <u>Total</u> |
|---|---|---|---|--------------------------------|---------------------------|----------------|
| <u>Other financing sources (uses):</u> | | | | | | |
| Transfers in | - | 69,630 | 300,602 | 22 | 50,373 | 420,627 |
| Transfers out | (135,361) | - | - | - | (285,266) | (420,627) |
| Proceeds from the sale of vehicle | <u>20</u> | <u>4,600</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,620</u> |
| Total other financing sources and uses | <u>(135,341)</u> | <u>74,230</u> | <u>300,602</u> | <u>22</u> | <u>(234,893)</u> | <u>4,620</u> |
| <u>Net increase (decrease) in fund balances</u> | 2,431 | - | - | (4,767) | (19,358) | (21,694) |
| <u>Fund balances:</u> | | | | | | |
| Beginning of year | <u>369,652</u> | <u>-</u> | <u>-</u> | <u>13,257</u> | <u>200,834</u> | <u>583,743</u> |
| End of year | <u>372,083</u> | <u>-</u> | <u>-</u> | <u>8,490</u> | <u>181,476</u> | <u>562,049</u> |

The accompanying notes are an integral part of this statement.

CADDO 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, 2004

| | |
|---|-----------------|
| Net (decrease) in fund balances-total governmental funds | (21,694) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (67,650) and the book value of assets disposed of during the fiscal year (5,375) exceeds capital outlays (1,800) in the current period. | (71,225) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | |
| Compensated absences | <u>(1,517)</u> |
| (Decrease) of net assets of governmental activities | <u>(94,436)</u> |

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

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

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

b. Reporting Entity:

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

The Caddo Council on Aging is a legally separate, nonprofit, quasi-public corporation. It received its charter and began operations in 1972.

A board of directors, consisting of 17 voluntary members, who serve three-year terms, governs the Council.

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

Based on the criteria set forth in GASB Statement 14, the Caddo Council on Aging is not a component unit of another primary government nor does it have any component units that are related

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

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 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

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

c. Presentation of Statements:

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

The Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

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

- For the first time the financial statements include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
 - Governmental-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.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Council has elected to implement the general provisions of the GASB Statement 34 in the current year.

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

d. **Basic Financial Statements - Government-Wide Statements:**

The Council's basic financial statements include both Government-Wide (reporting the Council as a whole) and fund financial statements (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Assets, the governmental type activities column is presented on a consolidated basis by column, 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 assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist of net assets 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 assets include all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

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

The Government-Wide Statement of Activities reports both 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. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

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

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

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

e. **Basic Financial Statements - Fund Financial Statements:**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

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. It is a major fund on the Council's financial statements, and consists of the following types of programs:

Local

Local funds are received from various local sources. During the fiscal year, the City of Shreveport provided \$67,500, and Caddo Parish provided \$67,045. All funds are provided to help the Council finance its operations and all proceeds from these funds can be used by the Council at its discretion.

The Council's program participants also generate revenues through certain fundraising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the Special Revenue Fund's local program. Local funds may be used as transfers to Special Revenue Funds to supplement those programs.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

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

- **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 Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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

Major Special Revenue Funds

The Title IIIB Supportive Services Fund is used to account for funds, which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

The 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. Using Title III C-2 funds the Council served meals during the year to people eligible to participate in this program.

The Foster Grandparents Fund (FGP) accounts for the administration of grants to a) provide part-time volunteer service opportunities for low-income people age 60 and over and, b) give supportive person-to-person service in health, education, welfare and related settings to help alleviate the physical, mental and emotional problems of infants, children or youth having special or exceptional needs.

Nonmajor Special Revenue Funds

The Title IIIB Ombudsman Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program provides a liaison between the resident, the family and the nursing home. The objective of the program is to protect the resident's rights.

The Title III C Area Agency Administration Fund is used to account for the administration of Special Programs for the Aging. Title III C administrative funds are provided by the United States Department of Health and Human Services through GOEA. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Shreveport and surrounding areas. During the year the Council served meals to people eligible to participate in this program.

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

The Title III-E Caregiver Funds are provided by the U. S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides in-home services and community services for the elderly.

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

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to 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. The senior center for Caddo Parish is located in Shreveport. Senior Center Funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred most of its grant revenue to the Title IIB Fund to subsidize that program's cost of providing supportive services to elderly persons who use the senior center, and to the Title III C-2 Fund to subsidize program costs of home-delivered meals.

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs are covered by transfers from the discretionary PCOA fund.

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 Caddo Council on Aging was one of the parish councils to receive a supplemental grant of \$3,825. The money received by this fund during the year was transferred to the Title III B Fund to supplement the supportive services provided by this fund. GOEA provided these funds to the Council.

The Nutritional Services Incentive Program Fund (formerly the U.S.D.A. Fund) is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider for congregate and home-delivered meals served to eligible participants so that United States food and commodities may be purchased to supplement these programs.

The Retired Senior Volunteer Program (RSVP) Fund accounts for the administration of RSVP grants that provide a variety of opportunities for retired persons, age 55 and over, to serve their community through significant volunteer service.

Local and Miscellaneous (Designated) Funds include, among others, the Meals on Wheels Fund, and the Restricted Contributions Fund. These funds are used to provide a variety of services for program participants.

f. **Measurement Focus and Basis of Accounting:**

Basis of accounting refers to when revenues or expenditures/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.

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

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

The Statement of Net Assets 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.

2. Modified Accrual Basis - Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Interfund Activity:

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

h. Cash and Cash Equivalents:

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

i. Investments:

GASB Statement 31 requires the Council to report its investments at fair value, except for investments in nonparticipating interest-earning contracts, such as nonnegotiable 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.

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

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.

j. Prepaid Expenses/Expenditures:

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

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 reserved to reflect the amount of fund balance not currently available for expenditure.

k. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the Government-Wide Statement of Net Assets. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation.

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:

| | |
|-----------|---------|
| Equipment | 5 years |
| Vehicles | 5 years |
| Computers | 3 years |

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

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

l. Unpaid Compensated Absences:

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

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

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

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

m. Allocation of Indirect Expenses:

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

n. 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.

o. Eliminations and Reclassifications:

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

p. Deferred Revenues:

The Council reports deferred revenues on its Statements of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

q. Budget Policy:

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

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

- The Governor's Office of Elderly Affairs (GOEA) and other funding agencies notify the Council each year as to the funding levels for each program's grant award.
- The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs or other appropriate funding agency for final approval.
- Most budgetary appropriations lapse at the end of each fiscal year (June 30).
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the respective funding agency for funds received under grants from each agency.

2. Revenue Recognition-Intergovernmental Grants, Public Support, and Miscellaneous Revenues

Intergovernmental Grants

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Senior Center, State Allocation (Act 735), Titles III B, C-1, C-2, G, Ombudsman, Foster Grandparent's Program and RSVP funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of various programs. The City of Shreveport, Caddo Parish, and the United Way provide funds to the Council. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior center activities. The timing and amounts of the receipts of public support and miscellaneous revenues are sometimes difficult to predict, but are recorded as revenue when the related ordinance is passed, or the pledge is made.

3. **Cash in Bank**

At June 30, 2004, the carrying amount of the Council's deposits was as follows:

| | |
|---------------------------|----------------|
| Petty cash | 150 |
| Payroll-checking | 2,037 |
| Operating-checking | 286,474 |
| Interest bearing accounts | <u>244,985</u> |
| Cash on deposits in banks | <u>533,646</u> |

All of these deposits were covered by federal deposit insurance.

4. **Grants Receivable**

Grants receivable at June 30, 2004 consisted of the following:

| <u>Program</u> | <u>Fund</u> | <u>Amount</u> |
|-----------------------------------|-----------------|---------------|
| Community Development Block Grant | Special Revenue | 11,210 |
| Corporation for National Service | Special Revenue | <u>20,269</u> |
| | | <u>31,479</u> |

5. **In-Kind Contributions**

In addition to in-kind revenues presented in this report, the Council received \$3,836 in various in-kind contributions during the year which have been valued at their estimated fair market value.

In-kind contributions consisted of the following:

| <u>Fund</u> | |
|---|--------------|
| Title III-B Supportive Services: Telephone volunteers | 476 |
| Title C-1: Senior center site volunteer maintenance | <u>3,360</u> |
| Total | <u>3,836</u> |

6. **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 out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

7. **Lease Commitments**

The Council leases its main office building and Senior Center building at 4015-4019 Greenwood Road, Shreveport, Louisiana. The terms of this lease require monthly payments of \$6,350 through August 31, 2010, with a provision that allows this commitment to be broken due to lack of funding. The lessor is responsible for normal repairs and maintenance, and the lessor pays for insurance on the building itself.

Future minimum lease payments for the next five years ending June 30, and in the aggregate, are as follows:

| | |
|------------|----------------|
| 2005 | 76,180 |
| 2006 | 76,180 |
| 2007 | 76,180 |
| 2008 | 76,180 |
| 2009 | 76,180 |
| Thereafter | <u>88,880</u> |
| Total | <u>469,780</u> |

8. Income Tax Status

The Council 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.

9. Judgements, Claims, and Similar Contingencies

There is no known litigation pending against the Council at June 30, 2004. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

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

10. Federally Assisted Programs

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended in 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act, as amended in 1996, and the Office of Management and Budget Circular A-133 (revised), a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

11. Economic Dependency

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

12. Interfund Transfers

Operating transfers in and out are listed by fund for the fiscal year:

| Funds Transferred In | Funds Transferred Out | | | | | | | | Total In |
|----------------------------|-----------------------|----------------------|----------------|----------------------------|--------------|-------------|---------------|--------------------------|----------------|
| | PCOA | Nutritional Services | Senior Center | Supplemental Senior Center | RSVP Special | FGP Special | Local | Restricted Contributions | |
| Meals on Wheels | - | - | - | - | - | - | 18,056 | - | 18,056 |
| Area Agency Administration | 14,190 | - | - | - | - | - | - | - | 14,190 |
| Supportive Services | - | - | 63,980 | 3,825 | - | - | 1,825 | - | 69,630 |
| Congregate Meals | - | 3,205 | - | - | - | - | - | - | 3,205 |
| Home-Delivered Meals | 30,819 | 134,666 | 54,720 | - | - | - | 55,798 | 24,599 | 300,602 |
| Ombudsman | 787 | - | - | - | - | - | - | - | 787 |
| Preventive Health | 1,814 | - | - | - | - | - | - | - | 1,814 |
| Caregiver | 4,614 | - | - | - | - | - | - | - | 4,614 |
| RSVP | - | - | - | - | 249 | - | - | - | 249 |
| Audit | 7,458 | - | - | - | - | - | - | - | 7,458 |
| FGP | - | - | - | - | - | 22 | - | - | 22 |
| Total Out | 59,682 | 137,871 | 118,700 | 3,825 | 249 | 22 | 75,679 | 24,599 | 420,627 |

13. Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 2004, follows:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|--|---------------------------------|-------------------------------|
| General Fund | - | 138,528 |
| Special Revenue Fund: | | |
| Nutritional Services Incentive Program | 77,563 | - |
| CNCS-RSVP Grant | - | 4,629 |
| CNCS-FGP Grant | - | 4,171 |
| Title III-B Ombudsman | 1,894 | - |
| Title III C-1 Administration | 415 | - |
| Title III-B Supportive Services | - | 992 |
| Title III C-1 Congregate Meals | 1,760 | - |
| Title III C-2 Home Delivered Meals | - | 100 |
| Title III-E Caregiver | 717 | - |
| Title III-F Frail Elderly Services | 1,176 | - |
| Senior Center | 51 | - |
| Meals on Wheels | 4,366 | - |
| PMS | 3,836 | - |
| RSVP Special | - | 2,686 |
| FGP Special | 357 | - |
| Senior Center Special | - | 479 |
| Restricted | 59,373 | - |
| Tour | <u>77</u> | <u>-</u> |
| Total Special Revenue funds | <u>151,585</u> | <u>13,057</u> |
| Total all funds | <u>151,585</u> | <u>151,585</u> |

14. Changes in Capital Assets

A summary of changes in capital assets is as follows:

| | <u>Balance 6-30-03</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6-30-04</u> |
|--------------------------------|----------------------------|------------------|------------------|----------------------------|
| General fixed assets, at cost: | | | | |
| Furniture and equipment | 96,902 | 1,800 | 23,118 | 75,584 |
| Vehicles | <u>321,691</u> | <u>-</u> | <u>84,781</u> | <u>236,910</u> |
| | 418,593 | 1,800 | 107,899 | 312,494 |
| Accumulated depreciation: | | | | |
| Furniture and equipment | 72,626 | 11,151 | 23,118 | 60,659 |
| Vehicles | <u>163,403</u> | <u>56,499</u> | <u>79,410</u> | <u>140,492</u> |
| | <u>236,029</u> | <u>67,650</u> | <u>102,528</u> | <u>201,151</u> |
| Net capital assets | <u>182,564</u> | <u>(65,850)</u> | <u>5,371</u> | <u>111,343</u> |

15. Changes in Long-Term Debt

The following is a summary of transactions relating to the Council's long-term debt during the year.

| | <u>Balance</u> <u>6-30-03</u> | <u>Increase</u> | <u>Balance</u> <u>6-30-04</u> |
|------------------------------|----------------------------------|-----------------|----------------------------------|
| Accrued compensated absences | <u>30,497</u> | <u>1,517</u> | <u>32,014</u> |

16. 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; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage. The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of business interruption and certain acts of God.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With</u> |
|---|-------------------------|------------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget</u> |
| | | | <u>GAAP Basis</u> | <u>Favorable</u> |
| | | | | <u>(Unfavorable)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental: | | | | |
| GOEA | 51,380 | 59,682 | 59,682 | - |
| Caddo Parish Commission | 67,090 | 67,090 | 67,045 | (45) |
| City of Shreveport | 67,500 | 67,500 | 67,500 | - |
| Public Support: | | | | |
| Donations unrestricted | 1,000 | 5,786 | 4,480 | (1,306) |
| Fund raising revenues | 1,000 | - | - | - |
| Interest income | 4,500 | 2,700 | 2,701 | 1 |
| Other income | - | <u>274</u> | <u>2,076</u> | <u>1,802</u> |
| Total revenues | <u>192,470</u> | <u>203,032</u> | <u>203,484</u> | <u>452</u> |
| <u>Expenditures</u> | | | | |
| Salaries | 34,153 | 30,582 | 29,420 | 1,162 |
| Fringe benefits | 4,101 | 3,513 | 3,527 | (14) |
| Travel | 819 | 920 | 1,695 | (775) |
| Operating services | 10,635 | 11,608 | 11,426 | 182 |
| Operating supplies | 686 | 3,601 | 4,496 | (895) |
| Other costs | 5,421 | 12,504 | 13,348 | (844) |
| Capital outlay | <u>2,000</u> | <u>2,000</u> | <u>1,800</u> | <u>200</u> |
| Total expenditures | <u>57,815</u> | <u>64,728</u> | <u>65,712</u> | <u>(984)</u> |
| <u>Excess of revenues over expenditures</u> | <u>134,655</u> | <u>138,304</u> | <u>137,772</u> | <u>(532)</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (134,755) | (138,324) | (135,361) | 2,963 |
| Proceeds from the sale of capital assets | <u>100</u> | <u>20</u> | <u>20</u> | <u>-</u> |
| <u>Total other financing sources and uses</u> | <u>(134,655)</u> | <u>(138,304)</u> | <u>(135,341)</u> | <u>2,963</u> |
| <u>Net increase in fund balances</u> | <u>-</u> | <u>-</u> | <u>2,431</u> | <u>2,431</u> |
| <u>Fund balances:</u> | | | | |
| Beginning of year | <u>369,652</u> | <u>369,652</u> | <u>369,652</u> | <u>-</u> |
| End of year | <u>369,652</u> | <u>369,652</u> | <u>372,083</u> | <u>2,431</u> |

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE IIB SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance With</u> |
|--|-------------------------|-----------------|-------------------|----------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amounts</u> | <u>Final Budget</u> |
| | | | <u>GAAP Basis</u> | <u>Favorable</u> |
| | | | | <u>(Unfavorable)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental: | | | | |
| GOEA | 342,743 | 342,743 | 342,743 | - |
| Community Development Block Grant | 10,000 | 18,084 | 20,227 | 2,143 |
| Public Support: | | | | |
| Donations restricted | - | 20 | 64 | 44 |
| Participant and program income | 2,000 | 8,940 | 10,069 | 1,129 |
| Other income | - | 165 | 185 | 20 |
| Total revenues | <u>354,743</u> | <u>369,952</u> | <u>373,288</u> | <u>3,336</u> |
| <u>Expenditures</u> | | | | |
| Salaries | 299,436 | 287,120 | 287,286 | (166) |
| Fringe benefits | 44,426 | 41,203 | 39,400 | 1,803 |
| Travel | 10,206 | 11,571 | 12,475 | (904) |
| Operating services | 64,988 | 62,755 | 65,588 | (2,833) |
| Operating supplies | 22,752 | 26,933 | 27,830 | (897) |
| Other costs | <u>13,542</u> | <u>15,158</u> | <u>14,939</u> | <u>219</u> |
| Total expenditures | <u>455,350</u> | <u>444,740</u> | <u>447,518</u> | <u>(2,778)</u> |
| <u>Excess (deficiency) of revenues over expenditures</u> | <u>(100,607)</u> | <u>(74,788)</u> | <u>(74,230)</u> | <u>558</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 100,607 | 70,188 | 69,630 | (558) |
| Transfers out | - | - | - | - |
| Proceeds from the sale of capital assets | - | 4,600 | 4,600 | - |
| <u>Total other financing sources and uses</u> | <u>100,607</u> | <u>74,788</u> | <u>74,230</u> | <u>(558)</u> |
| <u>Net increase in fund balances</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Fund balances:</u> | | | | |
| Beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| End of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE III C-2 HOME DELIVERED MEALS

FOR THE YEAR ENDED JUNE 30, 2004

| | <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 Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental: | | | | |
| GOEA | 358,100 | 358,100 | 358,100 | - |
| Community Development Block Grant | 29,000 | 44,442 | 56,119 | 11,677 |
| FEMA | 7,750 | 16,660 | 16,660 | - |
| Public Support: | | | | |
| Donations restricted | - | 14,605 | 17,913 | 3,308 |
| Participant and program income | 14,900 | 14,900 | 13,800 | (1,100) |
| Other income | - | 2,000 | 3,591 | 1,591 |
| Total revenues | <u>409,750</u> | <u>450,707</u> | <u>466,183</u> | <u>15,476</u> |
| <u>Expenditures</u> | | | | |
| Salaries | 173,920 | 197,091 | 197,565 | (474) |
| Fringe benefits | 19,461 | 21,095 | 21,181 | (86) |
| Travel | 68,735 | 81,336 | 85,455 | (4,119) |
| Operating services | 31,685 | 37,327 | 37,053 | 274 |
| Operating supplies | 6,159 | 12,823 | 12,443 | 380 |
| Other costs | 656 | 2,225 | 2,116 | 109 |
| Meals: | | | | |
| Raw food | 199,895 | 209,235 | 207,372 | 1,863 |
| Labor/nonedibles | <u>163,055</u> | <u>205,747</u> | <u>203,600</u> | <u>2,147</u> |
| Total expenditures | <u>663,566</u> | <u>766,879</u> | <u>766,785</u> | <u>94</u> |
| <u>Excess (deficiency) of revenues over</u> <u>expenditures</u> | <u>(253,816)</u> | <u>(316,172)</u> | <u>(300,602)</u> | <u>15,570</u> |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 253,816 | 316,172 | 300,602 | (15,570) |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Total other financing sources and uses</u> | <u>253,816</u> | <u>316,172</u> | <u>300,602</u> | <u>(15,570)</u> |
| <u>Net increase in fund balances</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Fund balances:</u> | | | | |
| Beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| End of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-FOSTER GRANDPARENTS

FOR THE YEAR ENDED JUNE 30, 2004

| | <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 Basis</u> | <u>Favorable</u> <u>(Unfavorable)</u> |
| <u>Revenues</u> | | | | |
| Intergovernmental: | | | | |
| GOEA | 21,850 | 21,850 | 20,556 | (1,294) |
| Corporation for National Service | 339,834 | 339,834 | 345,174 | 5,340 |
| Other income | - | - | 147 | 147 |
| In-kind | <u>31,437</u> | <u>31,437</u> | <u>55,201</u> | <u>23,764</u> |
| Total revenues | <u>393,121</u> | <u>393,121</u> | <u>421,078</u> | <u>27,957</u> |
| <u>Expenditures</u> | | | | |
| Salaries | 51,029 | 51,029 | 48,657 | 2,372 |
| Fringe benefits | 8,148 | 8,148 | 4,790 | 3,358 |
| Travel | 11,137 | 11,137 | 5,853 | 5,284 |
| Operating services | 20,910 | 20,910 | 20,935 | (25) |
| Operating supplies | 2,277 | 2,277 | 3,801 | (1,524) |
| Other costs | 60,802 | 60,802 | 52,876 | 7,926 |
| Stipends | 207,495 | 207,495 | 233,754 | (26,259) |
| In-kind | <u>31,450</u> | <u>31,450</u> | <u>55,201</u> | <u>(23,751)</u> |
| Total expenditures | <u>393,248</u> | <u>393,248</u> | <u>425,867</u> | <u>(32,619)</u> |
| <u>Excess (deficiency) of revenues over</u> <u>expenditures</u> | (127) | (127) | (4,789) | (4,662) |
| <u>Other financing sources (uses):</u> | | | | |
| Transfers in | 127 | 127 | 22 | (105) |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Total other financing sources and uses</u> | <u>127</u> | <u>127</u> | <u>22</u> | <u>(105)</u> |
| <u>Net (decrease) in fund balances</u> | - | - | (4,767) | (4,767) |
| <u>Fund balances:</u> | | | | |
| Beginning of year | <u>13,257</u> | <u>13,257</u> | <u>13,257</u> | <u>-</u> |
| End of year | <u>13,257</u> | <u>13,257</u> | <u>8,490</u> | <u>(4,767)</u> |

SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Title III C-1 AAA</u> | <u>Title III C-1 Congregate Meals</u> | <u>Title IIIB Ombudsman</u> | <u>Title III-D Preventive Health</u> | <u>Title III-E Caregiver</u> |
|--|------------------------------|---|---------------------------------|--|----------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental: | | | | | |
| GOEA | 93,233 | 200,532 | 102,428 | 15,240 | 110,758 |
| Corporation for National Service Community Development Block Grant | - | - | 7,929 | - | - |
| Public support: | | | | | |
| United Way | - | - | - | - | - |
| Donations restricted | - | - | 240 | - | - |
| Participant and program income | - | 27,841 | - | 65 | 613 |
| Fund raising revenues | - | - | - | - | - |
| Other income | - | 4,720 | - | - | - |
| In-kind | - | - | - | - | - |
| Total revenues | <u>93,233</u> | <u>233,093</u> | <u>110,597</u> | <u>15,305</u> | <u>111,371</u> |
| <u>Expenditures</u> | | | | | |
| Salaries | 80,891 | 78,910 | 75,656 | 2,123 | 34,574 |
| Fringe benefits | 9,264 | 9,111 | 11,023 | 324 | 4,420 |
| Travel | 1,670 | 6,795 | 13,027 | 8 | 2,113 |
| Operating services | 9,090 | 18,440 | 8,070 | 2,949 | 4,679 |
| Operating supplies | 2,735 | 5,070 | 2,691 | 107 | 3,753 |
| Other costs | 3,773 | 1,970 | 917 | 11,608 | 66,446 |
| Meals: | | | | | |
| Raw food | - | 58,428 | - | - | - |
| Labor/nonedibles | - | 57,574 | - | - | - |
| In-kind | - | - | - | - | - |
| Total expenditures | <u>107,423</u> | <u>236,298</u> | <u>111,384</u> | <u>17,119</u> | <u>115,985</u> |
| <u>Excess (deficiency) of revenues over expenditures</u> | (14,190) | (3,205) | (787) | (1,814) | (4,614) |
| <u>Other financing sources (uses)</u> | | | | | |
| Transfers in | 14,190 | 3,205 | 787 | 1,814 | 4,614 |
| Transfers out | - | - | - | - | - |
| <u>Total other financing sources and uses</u> | <u>14,190</u> | <u>3,205</u> | <u>787</u> | <u>1,814</u> | <u>4,614</u> |
| <u>Net increase (decrease) in fund balances</u> | - | - | - | - | - |
| <u>Fund balances</u> | | | | | |
| Beginning of year | - | - | - | - | - |
| End of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

| <u>Nutritional Services Incentive Program</u> | <u>Supplemental Senior Center</u> | <u>Senior Center Services</u> | <u>Audit</u> | <u>Retired Senior Volunteer Program</u> | <u>Other Local Funds</u> | <u>Total</u> |
|---|---------------------------------------|-----------------------------------|---------------|---|------------------------------|------------------|
| 108,089 | 3,825 | 157,027 | 6,942 | 15,637 | - | 813,711 |
| - | - | - | - | 67,022 | - | 67,022 |
| - | - | - | - | - | - | 7,929 |
| - | - | - | - | - | 12,912 | 12,912 |
| - | - | - | - | - | 12,830 | 13,070 |
| - | - | - | - | - | 46,914 | 75,433 |
| - | - | - | - | - | 31,914 | 31,914 |
| - | - | - | - | 300 | 605 | 5,625 |
| - | - | - | - | 12,988 | - | 12,988 |
| <u>108,089</u> | <u>3,825</u> | <u>157,027</u> | <u>6,942</u> | <u>95,947</u> | <u>105,175</u> | <u>1,040,604</u> |
| - | - | - | - | 43,423 | 21,299 | 336,876 |
| - | - | - | - | 5,024 | 2,288 | 41,454 |
| - | - | - | - | 1,957 | 8,632 | 34,202 |
| - | - | 33,083 | 14,400 | 9,506 | 6,056 | 106,273 |
| - | - | 234 | - | 4,961 | 3,431 | 22,982 |
| - | - | 5,010 | - | 18,337 | 3,963 | 112,024 |
| - | - | - | - | - | 21,272 | 79,700 |
| - | - | - | - | - | 20,996 | 78,570 |
| - | - | - | - | 12,988 | - | 12,988 |
| <u>-</u> | <u>-</u> | <u>38,327</u> | <u>14,400</u> | <u>96,196</u> | <u>87,937</u> | <u>825,069</u> |
| 108,089 | 3,825 | 118,700 | (7,458) | (249) | 17,238 | 215,535 |
| - | - | - | 7,458 | 249 | 18,056 | 50,373 |
| <u>(137,871)</u> | <u>(3,825)</u> | <u>(118,700)</u> | <u>-</u> | <u>-</u> | <u>(24,870)</u> | <u>(285,266)</u> |
| <u>(137,871)</u> | <u>(3,825)</u> | <u>(118,700)</u> | <u>7,458</u> | <u>249</u> | <u>(6,814)</u> | <u>(234,893)</u> |
| (29,782) | - | - | - | - | 10,424 | (19,358) |
| <u>107,347</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>93,487</u> | <u>200,834</u> |
| <u>77,565</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>103,911</u> | <u>181,476</u> |

CADDO COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND
CHANGES IN GENERAL FIXED ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

| | <u>Balance</u> <u>6-30-03</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>6-30-04</u> |
|-------------------------------------|----------------------------------|------------------|------------------|----------------------------------|
| General fixed assets, at cost: | | | | |
| Furniture and equipment | 96,902 | 1,800 | 23,118 | 75,584 |
| Vehicles | <u>321,691</u> | <u>-</u> | <u>84,781</u> | <u>236,910</u> |
| Total general fixed assets | <u>418,593</u> | <u>1,800</u> | <u>107,899</u> | <u>312,494</u> |
| Investment in general fixed assets: | | | | |
| Property acquired with funds from: | | | | |
| Local funds (unreserved) | 141,562 | 1,800 | 69,243 | 74,119 |
| Harrah's | 30,400 | - | - | 30,400 |
| UMTA funds | 190,131 | - | 37,172 | 152,959 |
| Title III-F Frail Elderly | 7,250 | - | - | 7,250 |
| RSVP Grant funds | 5,196 | - | - | 5,196 |
| Senior Center Special | 1,200 | - | - | 1,200 |
| RSVP Special | 6,185 | - | 1,484 | 4,701 |
| FGP Special | 2,910 | - | - | 2,910 |
| Donated assets | 29,136 | - | - | 29,136 |
| Thompson Grant | <u>4,623</u> | <u>-</u> | <u>-</u> | <u>4,623</u> |
| Total inventory listing | <u>418,593</u> | <u>1,800</u> | <u>107,899</u> | <u>312,494</u> |

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

| <u>Federal Grantor/Pass-Through Grantor/ Program Title</u> | <u>Federal CFDA Number</u> | <u>Program or Award Amount</u> | <u>Revenue Recognized</u> | <u>Expenditures</u> |
|---|------------------------------------|--|-------------------------------|---------------------|
| <u>Department of Health and Human Services</u> | | | | |
| Passed through the Louisiana Governor's Office of Elderly Affairs: | | | | |
| Special Programs for the Aging: | | | | |
| Title IIIB-Ombudsman | 93.044 | 69,276 | 69,276 | 69,276 |
| Title IIIB-Supportive Services | 93.044 | 212,641 | <u>212,641</u> | <u>212,641</u> |
| | | | 281,917 | 281,917 |
| | | | | |
| Title III C-1-Area Agency Administration | 93.045 | 69,925 | 69,925 | 69,925 |
| Title III C-1-Congregate Meals | 93.045 | 192,197 | 192,197 | 192,197 |
| Title III C-2-Home Delivered Meals | 93.045 | 135,623 | <u>135,623</u> | <u>135,623</u> |
| | | | 397,745 | 397,745 |
| | | | | |
| Title III E-Caregiver | 93.052 | 86,025 | 86,025 | 86,025 |
| Title III F-Preventive Health | 93.043 | 15,240 | 15,240 | 15,240 |
| Nutritional Services Incentive Program (2002)-Note 2 | 93.053 | 123,706 | - | 3,532 |
| Nutritional Services Incentive Program (2003)-Note 2 | 93.053 | 123,148 | - | 103,815 |
| Nutritional Services Incentive Program (2004)-Note 2 | 93.053 | 153,884 | <u>108,089</u> | <u>30,525</u> |
| | | | <u>108,089</u> | <u>137,872</u> |
| Total aging cluster | | | 889,016 | 918,799 |
| | | | | |
| <u>Corporation for National and Community Service</u> | | | | |
| Direct program: | | | | |
| Retired Senior Volunteer Program (RSVP) | 94.002 | 67,022 | 67,022 | 67,022 |
| | | | | |
| Foster Grandparents Program (FGP) (2004) | 94.011 | 339,833 | 172,943 | 172,943 |
| Foster Grandparents Program (FGP) (2003) | 94.011 | 339,833 | <u>172,232</u> | <u>172,232</u> |
| | | | 412,197 | 412,917 |
| | | | | |
| <u>Department of Housing and Urban Development</u> | | | | |
| Passed through the City of Shreveport: | | | | |
| Community Development Block Grant | 14.218 | 76,346 | 76,346 | 76,346 |
| Passed through the City of Bossier: | | | | |
| Community Development Block Grant | 14.218 | 7,929 | <u>7,929</u> | <u>7,929</u> |
| | | | 84,275 | 83,275 |
| | | | | |
| <u>Federal Emergency Management Association</u> | | | | |
| Direct program: | | | | |
| Emergency Food and Shelter Program | 83.523 | 16,660 | <u>16,660</u> | <u>16,660</u> |
| Totals | | | <u>1,402,148</u> | <u>1,431,931</u> |

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2004

1. Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Caddo Council on Aging, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

Caddo Council on Aging, Inc. did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

2. Nutritional Services Incentive Program

This program has been reported in prior years as the Nutrition Program for the Elderly under the U.S. Department of Agriculture, with a Federal CFDA number of 10.570. Effective this year, this program is now reported as the Nutritional Services Incentive Program under the U.S. Department of Health and Human Services-Administration of Aging, with a Federal CFDA number of 93.053. The information reported in prior years for fiscal year 2002 is now reported under CFDA number 93.053 to be consistent with this change in program identification.

a. *Fiscal Year 2002:*

Expenditures of \$3,532 were from \$3,532 of unspent funds carried over from the fiscal year 2002 award.

b. *Fiscal Year 2003:*

Expenditures of \$103,815 were from \$103,815 of unspent funds carried over from the fiscal year 2003 award.

c. *Fiscal Year 2004:*

Revenues recognized in fiscal year 2004 amounted to \$108,089. Of this amount, \$30,525 was expended during fiscal year 2004; the remainder of \$77,564 is carried over to fiscal year 2005.

OTHER REPORTS

September 8, 2004

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Report on Compliance and on Internal Control Over Financial Reporting
Based on an Audit of Financial Statements Performed in
Accordance with Government Auditing Standards

We have audited the basic financial statements of Caddo Council on Aging, Inc., as of and for the year ended June 30, 2004, and have issued our report thereon dated September 8, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether Caddo Council on Aging's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Caddo Council on Aging's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • BOSSIER CITY
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Heard, McElroy & Vestal, LLP

September 8, 2004

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Caddo Council on Aging, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Caddo Council on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Caddo Council on Aging's management. Our responsibility is to express an opinion on Caddo Council on Aging's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Caddo Council on Aging'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. Our audit does not provide a legal determination on Caddo Council on Aging's compliance with those requirements.

In our opinion, Caddo Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of Caddo Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Caddo Council on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies and pass-through entities, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Heard, M = Elroy & Vestal, LLP

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2004

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Caddo Council on Aging, Inc.
2. No reportable conditions relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Caddo Council on Aging, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Caddo Council on Aging, Inc. expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Caddo Council on Aging, Inc.
7. The programs tested as major programs included:

| <u>Program</u> | <u>CFDA No.</u> |
|--|-----------------|
| Title IIIB-Ombudsman | 93.044 |
| Title IIIB-Supportive Services | 93.044 |
| Title III C-1 Area Agency Administration | 93.045 |
| Title III C-1 Congregate Meals | 93.045 |
| Title III C-2 Home Delivered Meals | 93.045 |
| Title III E-Caregiver | 93.052 |
| Title III F-Preventive Health | 93.043 |
| Nutritional Services Incentive Program | 93.053 |

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Caddo Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CADDO COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004

There were no findings and questioned costs relative to federal awards from the prior year.