

**CALCASIEU PARISH VOLUNTARY COUNCIL
ON THE AGING, INC.**
Lake Charles, Louisiana

Financial Report

Year Ended June 30, 2018

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Calcasieu Parish Voluntary Council on the Aging, Inc.
Lake Charles, Louisiana

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc. as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 44 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calcasieu Parish Voluntary Council on the Aging, Inc.'s basic financial statements. The schedule of non-major funds and comparative schedule of general fixed assets on pages 50 through 52 are presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated January 24, 2019, on our consideration of the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and compliance.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

January 24, 2019

GOVERNMENT WIDE FINANCIAL STATEMENTS

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Net Position
June 30, 2018

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and cash equivalents	\$ 23,104	\$ 116,892	\$ 139,996
Accounts receivable	13,974	1,458	15,432
Grants and contracts receivables	18,464	-	18,464
Due from other funds	180,565	38,387	218,952
Other assets	10,311	-	10,311
Capital assets, net of accumulated depreciation	<u>445,617</u>	<u>202,642</u>	<u>648,259</u>
Total Assets	<u>692,035</u>	<u>359,379</u>	<u>1,051,414</u>
LIABILITIES			
Cash overdraft	47,325	-	47,325
Accounts payable	232,203	-	232,203
Accrued payroll	24,538	-	24,538
Other payables	1,169	2,400	3,569
Compensated absences payable	24,118	-	24,118
Due to other funds	38,387	180,565	218,952
Long-term liabilities:			
Current portion	82,155	7,574	89,729
Non-current portion	<u>153,464</u>	<u>16,557</u>	<u>170,021</u>
Total Liabilities	<u>603,359</u>	<u>207,096</u>	<u>810,455</u>
NET POSITION			
Invested in capital assets, net of debt	284,998	178,511	463,509
Restricted for:			
Title III C-1	16,595	-	16,595
Title III C-2	21,055	-	21,055
MIPPA	6,965	-	6,965
Senior RX	3,721	-	3,721
Unrestricted	<u>(244,658)</u>	<u>(26,228)</u>	<u>(270,886)</u>
Total Net Position	<u>\$ 88,676</u>	<u>\$ 152,283</u>	<u>\$ 240,959</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2018

	Direct Expenses	Indirect Expenses
Function/Programs		
Primary Government		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive services:		
Homemaker	\$ 62,196	\$ 47,928
Information and assistance	10,638	8,197
Legal assistance	18,994	14,636
Outreach	17,847	13,753
Other sub-priority services	18,742	14,442
Transportation	238,550	183,827
Nutrition services:		
Congregate meals	87,105	59,465
Home delivered meals	439,589	141,911
Disease prevention & health promotion	24,517	3,923
National family caregiver support	81,470	19,519
Long-term care ombudsman	86,313	-
Prescription assistance	90,845	-
Utility assistance	1,186	-
Housing	2,154	-
Multi-purpose senior centers	202,936	-
Administration	728,533	(507,603)
Total governmental activities	2,111,613	-
Business-Type Activities		
Bingo	3,071,360	-
Bingeaux Café	1,534	-
Total business-type activities	3,072,894	-
Total Primary Government	\$ 5,184,507	\$ -

Charges for Services	Program Revenues		Net (Expense) Revenue and Increases (Decreases) in Net Position		Total
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
\$ 42	\$ 41,368	\$ -	\$ (68,714)	\$ -	\$ (68,714)
-	7,083	-	(11,753)	-	(11,753)
-	12,646	-	(20,984)	-	(20,984)
-	11,882	-	(19,717)	-	(19,717)
-	12,478	-	(20,706)	-	(20,706)
-	158,826	-	(263,552)	-	(263,552)
2,688	160,477	-	16,595	-	16,595
27,929	488,371	-	(65,200)	-	(65,200)
-	7,736	-	(20,704)	-	(20,704)
-	59,492	-	(41,497)	-	(41,497)
-	76,214	-	(10,099)	-	(10,099)
-	101,531	-	10,686	-	10,686
-	864	-	(322)	-	(322)
-	-	-	(2,154)	-	(2,154)
26,152	-	-	(176,784)	-	(176,784)
-	220,930	-	-	-	-
56,811	1,359,897	-	(694,905)	-	(694,905)
3,425,961	-	-	-	354,601	354,601
23,286	-	-	-	21,752	21,752
3,449,247	-	-	-	376,353	376,353
\$ 3,506,058	\$ 1,359,897	\$ -	\$ (694,905)	\$ 376,353	(318,552)
General Revenues:					
Grants and contributions not restricted to specific programs			5,556	-	5,556
Unrestricted investment income			5	-	5
Miscellaneous			10,500	-	10,500
Transfers			475,647	(475,647)	-
Total general revenues and transfers			727,339	(475,647)	251,692
Increase (decrease) in net assets			32,434	(99,294)	(66,860)
Net position - beginning of the year			56,242	251,577	307,819
Net position - end of the year			\$ 88,676	\$ 152,283	\$ 240,959

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	\$ 23,104	\$ -	\$ -	\$ -	\$ 23,104
Accounts receivable	13,974	-	-	-	13,974
Grants and contracts receivable	18,464	-	-	-	18,464
Due from other funds	180,565	-	-	-	180,565
Other assets	10,311	-	-	-	10,311
Total Assets	\$ 246,418	\$ -	\$ -	\$ -	\$ 246,418
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash overdraft	\$ 47,325	\$ -	\$ -	\$ -	\$ 47,325
Accounts payable	232,203	-	-	-	232,203
Accrued payroll	24,538	-	-	-	24,538
Other payables	1,169	-	-	-	1,169
Due to other funds	38,387	-	-	-	38,387
Total Liabilities	343,622	-	-	-	296,297
FUND BALANCES					
Restricted for:					
Title III C-1	16,595	-	-	-	16,595
Title III C-2	21,055	-	-	-	21,055
MIPPA	6,965	-	-	-	6,965
Senior RX	3,721	-	-	-	3,721
Unassigned	(145,540)	-	-	-	(145,540)
Total Fund Balances	(97,204)	-	-	-	(97,204)
Total Liabilities and Fund Balances	\$ 246,418	\$ -	\$ -	\$ -	

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

-Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	\$ 445,617
-Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds	(235,619)
-Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	(24,118)
Net position of governmental activities	\$ 88,676

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018**

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 262,822	\$ 155,027	\$ 330,712	\$ 495,474	\$ 1,244,035
LA Department of Insurance	-	-	-	3,890	3,890
LA Department of Transportation & Development	-	60,015	-	-	60,015
Calcasieu Parish Police Jury	18,797	-	100,000	-	118,797
City of Sulphur	16,000	-	-	-	16,000
Public support:					
Contributions - unrestricted	15,025	-	-	2,688	17,713
United Way of Southwest Louisiana	-	25,500	50,000	-	75,500
Utility company assistance programs	-	-	-	864	864
Client contributions	26,152	156	27,929	-	54,237
Interest and other income	5	-	-	-	5
Program service fees:					
Medicaid fees	-	41	-	-	41
Local and miscellaneous	73,718	3,585	-	-	77,303
Total Revenues	<u>412,519</u>	<u>244,324</u>	<u>508,641</u>	<u>502,916</u>	<u>1,668,400</u>
EXPENDITURES					
Health, Welfare, & Social Services					
Current:					
Salaries	97,579	314,843	191,280	272,395	876,097
Fringe	13,638	31,918	16,808	23,502	85,866
Travel	564	28,858	317	6,316	36,055
Operating services	114,653	107,695	57,144	51,610	331,102
Operating supplies	48,717	51,477	29,242	10,030	139,466
Other costs	98,269	15,346	-	8,690	122,305
Full service contracts	-	99,574	286,709	82,654	468,937
Meals	9,377	39	-	114	9,530
Utility assistance	-	-	-	1,186	1,186
Debt service - principal and interest	200,149	-	-	-	200,149
Total Expenditures	<u>582,946</u>	<u>649,750</u>	<u>581,500</u>	<u>456,497</u>	<u>2,270,693</u>
Excess (deficiency) of revenues over expenditures	<u>(170,427)</u>	<u>(405,426)</u>	<u>(72,859)</u>	<u>46,419</u>	<u>(602,293)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from long-term debt	235,631	-	-	-	235,631
Operating transfers in	523,983	405,426	93,914	85,573	1,108,896
Operating transfers out	(490,999)	-	(21,055)	(121,195)	(633,249)
Total other financing sources (uses)	<u>268,615</u>	<u>405,426</u>	<u>72,859</u>	<u>(35,622)</u>	<u>711,278</u>
Excess (Deficiency) of revenues and other sources over expenditures and other (uses)	98,188	-	-	10,797	108,985
FUND BALANCES					
Beginning of the year	(195,392)	-	-	(10,797)	(206,189)
End of the year	<u>\$ (97,204)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (97,204)</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

Net increase in fund balances - total governmental funds	\$ 108,985
Reconciling items:	
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 (\$52,231) exceeds capital outlay (\$0) in the current period.	(52,231)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources. This is the amount by which debt proceeds exceed debt service principal payments.	(40,619)
Compensated absences is reported as an expense in the statement of activities, but as they do not require the use of current financial resources, they are not reported as expenditures in governmental funds	<u>16,299</u>
Increase in net assets of governmental activities	<u>\$ 32,434</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities Enterprise Funds		Total
	Bingo Account	Bingeaux Café	
ASSETS			
Current assets:			
Cash	\$ 116,892	\$ -	\$ 116,892
Miscellaneous receivable	1,458	-	1,458
Due from other funds	-	38,387	38,387
Total current assets	118,350	38,387	156,737
Noncurrent assets:			
Capital assets			
Equipment	96,408	58,720	155,128
Furniture and fixtures	26,690	-	26,690
Building improvements	291,898	10,942	302,840
Land improvements	136,048	-	136,048
Less: accumulated depreciation	(350,592)	(67,472)	(418,064)
Property and equipment, net	200,452	2,190	202,642
Total assets	\$ 318,802	\$ 40,577	\$ 359,379
LIABILITIES			
Current liabilities:			
Other payables	2,400	-	2,400
Current portion of note payable	3,442	-	3,442
Current portion of capital lease payable	4,132	-	4,132
Due to other funds	180,565	-	180,565
Total current liabilities	190,539	-	190,539
Long term liabilities:			
Note payable	10,316	-	10,316
Capital lease payable	6,241	-	6,241
Total long-term liabilities	16,557	-	16,557
Total liabilities	207,096	-	207,096
NET POSITION			
Invested in capital assets, net of debt	176,321	2,190	178,511
Unrestricted	(64,615)	38,387	(26,228)
Total Net Position	\$ 111,706	\$ 40,577	\$ 152,283

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2018

	Bingo Account	Bingeaux Café	Total
OPERATING REVENUES:			
Charges for sales and services	\$ 3,124,361	\$ 23,286	\$ 3,147,647
Rental income	301,600	-	301,600
Total operating revenue	<u>3,425,961</u>	<u>23,286</u>	<u>3,449,247</u>
OPERATING EXPENSE			
Cost of sales and services	2,540,933	-	2,540,933
Salaries	305,697	-	305,697
Fringe	28,763	-	28,763
Operating services	118,650	-	118,650
Operating supplies	22,333	-	22,333
Other costs	17,963	-	17,963
Meals	511	-	511
Depreciation	21,795	1,534	23,329
Total operating expenses	<u>3,056,645</u>	<u>1,534</u>	<u>3,058,179</u>
Operating income	369,316	21,752	391,068
NONOPERATING REVENUE (EXPENSES)			
Interest expense	(14,715)	-	(14,715)
Total nonoperating expenses	<u>(14,715)</u>	<u>-</u>	<u>(14,715)</u>
Income before transfers	354,601	21,752	376,353
Transfers out	(475,647)	-	(475,647)
Net transfers	<u>(475,647)</u>	<u>-</u>	<u>(475,647)</u>
Change in net assets	(121,046)	21,752	(99,294)
Net position, beginning	<u>232,752</u>	<u>18,825</u>	<u>251,577</u>
Net position, ending	<u>\$ 111,706</u>	<u>\$ 40,577</u>	<u>\$ 152,283</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Cash Flows
 Proprietary Funds
 Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		Total
	Proprietary Fund Types		
	Bingo Account	Bingeaux Café	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,425,961	\$ -	\$ 3,425,961
Cash payments for cost of sales and prizes	(2,540,933)	-	(2,540,933)
Cash payments to suppliers for goods and services	(159,457)	-	(159,457)
Cash payments to employees and professional contractors for services	(338,160)	-	(338,160)
Net cash provided by operating activities	<u>387,411</u>	<u>-</u>	<u>387,411</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	138,857	-	138,857
Transfers out	(475,647)	-	(475,647)
Net cash used by noncapital financing activities	<u>(336,790)</u>	<u>-</u>	<u>(336,790)</u>
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(6,413)	-	(6,413)
Payment of interest	(14,715)	-	(14,715)
Net cash used by capital and capital related financing activities	<u>(21,128)</u>	<u>-</u>	<u>(21,128)</u>
Net increase in cash and cash equivalents	29,493	-	29,493
Cash beginning of year	<u>87,399</u>	<u>-</u>	<u>87,399</u>
Cash end of year	<u>\$ 116,892</u>	<u>\$ -</u>	<u>\$ 116,892</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	369,316	21,752	391,068
Add depreciation expense	21,795	1,534	23,329
(Increase) decrease in current assets:			
Miscellaneous receivable	-	(23,286)	(23,286)
Decrease in current liabilities:			
Other payables	-	-	-
Accrued leave payable	(3,700)	-	(3,700)
Net cash provided by operating activities	<u>\$ 387,411</u>	<u>\$ -</u>	<u>\$ 387,411</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Fiduciary Net Position-
Fiduciary Fund
Year Ended June 30, 2018

	<u>Progressive Jackpot</u>
ASSETS	
Cash	\$ 118,500
Total Assets	<u>\$ 118,500</u>
NET POSITION	
Held in trust for payment to progressive game winners	<u>\$ 118,500</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Changes in Fiduciary Net Position-
Fiduciary Fund
Year Ended June 30, 2018

	<u>Progressive Jackpot</u>
ADDITIONS	
Deposits by session participants	\$ 140,200
Additional required deposits	<u>-</u>
Total additions	<u>140,200</u>
DEDUCTIONS	
Payments to game winners	<u>105,700</u>
Total deductions	<u>105,700</u>
 Change in net assets	 34,500
 Net position - July 1, 2017	 <u>84,000</u>
Net position - June 30, 2018	<u>\$ 118,500</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Calcasieu Parish Voluntary Council on the Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The following is a summary of certain significant accounting policies used by the Council:

A. Purpose of the Council on Aging

The local councils on the aging were created under Act No. 456 of 1964 for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs (GOEA) and any other entity that provides the Council with federal or state funds.

The purpose of the Council is to afford an avenue for working out a more complete understanding of the problems, interests and desires of the elderly people of Calcasieu Parish, anyone who has attained the age of sixty (60) years shall be considered elderly; to develop plans for counseling the elderly about the problems of aging and to implement such plans; to develop and implement plans and programs of education whereby people who need to supplement their retirement income or those who wish to do so will be able to earn an income by their own efforts; to develop and implement plans and programs of education for the improvement of healthy, social and recreational welfare of elderly people to collect facts and statistics and make special studies of conditions pertaining to employment, health, financial status, recreation, social adjustment and other conditions affecting the welfare of the elderly of Calcasieu parish and to interpret such findings and make recommendations for improvement to the Governor's Office of Elderly Affairs.

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 each council is governed by the policies and regulations established by GOEA.

The Calcasieu Parish Voluntary Council on the Aging, Inc. (Council) was incorporated in May 26, 1982.

A Board of Directors, consisting of 17 voluntary members, representing each of the 15 districts of Calcasieu parish plus two 2 members at large, governs the Council.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Membership in the Council is open at all times, without restriction, to all residents of Calcasieu 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 Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

C. Presentation of Statements

The Council's basic financial statements consist of "government-wide" financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and "fund" financial statements, which purpose are to report individual major governmental funds and combined nonmajor governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities or "business" activities. The Council does not have any 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.

D. Basic Financial Statements – Government-Wide Statements

The government-wide financial statements include the Statement of Net Position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Intergovernmental revenues primarily support governmental activities.

In the Government-Wide Statement of Net Position, the governmental type activities column and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. 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 position consists of net positions with constraints placed on the use either by (1) external groups such as

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted net position includes all other net positions that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Statement of Net Position has been prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

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 public support, 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 amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

Direct expenses reported in the Statement of Activities are those that are clearly identifiable with a specific function or program, whereas, the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Statements of Activities shows this allocation in a separate column labeled "indirect expenses."

In the Statements of Activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Unrestricted contributions, unrestricted grants, interest income and miscellaneous revenues that are not included among program revenues are reported instead as general revenues in the statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence and are separately reported below general revenues. The Council did not have any material special items this year.

E. Basic Financial Statements - Fund Financial Statements

The fund financial statements present financial information very similar to that which was included in the general-purpose financial statements issued by governmental entities before GASB Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds. Fund accounting is designed to demonstrate legal compliance and to aid financial

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. The nonmajor funds are summarized by category or fund type into a single column in the fund financial statements.

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

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

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund. The following is a description of the programs or funding sources that comprise the Council's General Fund:

Local Programs and Funding are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditures, are charged to the local program. Because of their unrestricted nature, local funds are often transferred to other programs to eliminate deficits in cases where the expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the used and disposition of fixed assets.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2018, the Council received this grant money into its General Fund and management transferred all \$86,255 of the PCOA funds to the Title III B Supportive Services Fund to help pay for program expenditures of that fund.

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 Council operates four senior centers in Calcasieu Parish, Louisiana. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly.

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 Calcasieu Parish Voluntary Council on the Aging, Inc. was one of the parish councils to receive a supplemental grant of \$3,100. 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 Title III-C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services – Administration on Aging through 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:

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major Special Revenue Funds

The **Title III B Fund** accounts for funds which are used to provide various types of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

	<u>Units</u>
Homemaker	2,141
Information and assistance	1,330
Telephoning	6,781
Transportation	4,373
Legal assistance	128
Outreach	386
Medical alert	51
Recreation	26,202
Utility assistance	578
Material Aid	369

The three main sources of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B Supportive Services (\$155,027), funding received from Louisiana Department of Transportation (\$60,015) and restricted, voluntary contributions from the public (\$26,358), including those people who actually received transportation and homemaker services.

The **Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 100,363 meals and also provided 252 units of nutritional education during the year to people eligible to participate in this program.

There were three main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 Nutrition Services (\$330,712), grants from Calcasieu Parish Police Jury (\$100,000), and restricted, voluntary contributions from the public (\$77,929), including those persons actually receiving home-delivered meal services.

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from 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 fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2018, the Council served about 10,852 congregate meals and also provided 252 units of nutritional education to eligible participants.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

There was one main source of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 Nutrition Services (\$160,477).

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 137 units of Health Promotion and Disease Prevention services were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services (\$7,736).

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. Then number of units provided under the Title III E is as follows:

	<u>Units</u>
Information and assistance	67
Outreach	50
Material aid	118
In-home respite	1,429
Support group	104
Public education	48
Personal care	370
Sitter	185

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$62,404).

The Title III B - Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The N.S.I.P. Fund is used to account for the administration of Nutrition Services Incentives Program Funds provided by the Administration on Aging, United States Department of Health and Human Services through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. GOEA distributes N.S.I.P. funds to each parish council on aging in Louisiana based on how many meals each council on aging served in the previous year in relation to the total meals served statewide by all councils. Using this formula, the Council receives funding from GOEA for each congregate and home-delivered meal it serves. The primary purpose of the N.S.I.P. reimbursement is to provide money to buy food that will be used in the preparation of congregate and home-delivered meals under nutrition service programs. The food that is purchased for these purposes must be of United States origin or be commodities from the United States Department of Agriculture.

The SenioRx Program Fund is used to account for funds used to provide senior citizens access to medication via the Louisiana Senior Rx Program.

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

The Housing Fund was created to assist in the development of affordable housing for the elderly. The Council closed out the Housing Fund during FY2018.

The MIPPA Fund is used to account for funds relating to supporting outreach and assistance efforts directed toward Medicare beneficiaries with limited incomes who may be eligible for Medicare Part D, Low-Income Subsidiary (LIS) and Medicare Savings Programs (MSP). The goal is to provide outreach to individuals in Calcasieu Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP.

Business – Type Funds

Proprietary Funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Council applies all Government Accounting Standards Board (GASB) pronouncements as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The Council has not elected to apply those FASB pronouncements issued after November, 30, 1989 for its proprietary activities. Proprietary funds included the following fund types:

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

The following enterprise funds are utilized by the Council:

Bingo Fund accounts for the income and expenses associated with the bingo sessions held at the Council's main location.

Bingeaux Café Fund accounts for the rental of the concession area during the various bingo sessions.

Fiduciary Funds account for assets held by the Council in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the Council under the terms of a formal trust agreement.

The following funds are fiduciary funds:

The Progressive Jackpot Fund has been set up and held in trust for the bingo Session Sponsors. Amounts are deposited from each bingo session which accumulate and are disbursed when a bingo participant wins the blackout bingo game.

F. Measurement Focus and Basis of Accounting

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

Accrual Basis – Government-Wide Financial Statements (GWFS):

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Regardless of the time of related cash flows.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid.

In the government-wide financial statements, all types of interfund transactions are eliminated when presenting the governmental activity information.

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.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Receivables

The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectability of any receivable, management would write off the receivable as bad debt at that time.

J. Inventory

For proprietary funds, inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed, whereas proprietary funds recorded them when consumed. The Council had no inventories at year end.

K. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits. In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that will be titled to another government are recorded as a prepaid expense and amortized in the Statement of Net position to better present the economics of this type of transaction and to keep from distorting the Council's transportation expenses in the Statement of Activities. In contrast, 100% of the "matching" payments are reported in the fund financial statements as intergovernmental expenditures when the vehicles are received.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Capital Assets

The accounting and reporting treatment used for property, vehicles, and equipment (capital assets) depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Government-Wide Financial Statements

Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide statement of Net Position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

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

Building and improvements	40 years
Equipment	5-7 years
Vehicles	5 years
Computers	3 years

When calculating depreciation, the State's guidelines assumes that capital assets will not have any salvage value.

M. Non-Current (Long-term) Liabilities

The accounting treatment of non-current liabilities depends on whether they are reported in the government-wide or fund financial statement. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. 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. Management has estimated the current and long-term portions of this liability based on historical trends. 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.

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 create 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.

O. Deferred Revenues

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the Statement of Net Position and the Fund Balance Sheet, whichever the case might be, and the revenue is recognized. The Council did not have any deferred revenue at year end.

P. Net Position in the Government-wide Financial Statements

In the government-wide Statement of Net Position, the Net Position amounts is classified and displayed in three components:

- Invested in capital assets – This component 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. At year-end the Council had \$160,619 in borrowings that were related to capital assets.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Restricted net position – This component consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

When both restricted and unrestricted resources are available for use, it is the Council’s policy to use restricted resources first to finance its activities.

Q. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Council did not have any nonspendable resources as of year-end.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council’s board of directors, which is the Council’s highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Assigned: This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year-end.
- Unassigned: This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

When fund balance resources are available for a specific purpose in multiple classifications, the Council will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Council's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

R. Management's Use of Estimates

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

S. 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 a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

T. Elimination and Reclassifications

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U. Subsequent Events

Management has evaluated subsequent events through January 24, 2019, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

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

Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting, intergovernmental grant revenues, program service fees, and interest income must be both measurable and available. However, the timing and amounts of the receipts of public support and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

The Older American Act of 1965 Title III programs operate under a performance based contract. Title III program revenue is earned by the Council based on units of service provided within the guidelines of the related programs.

NOTE 3 CASH MANAGEMENT AND DEPOSITS

The Council maintains a consolidated bank account which is available for use by all funds to deposit revenues and pay expenses. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains another demand deposit account to manage its EFSP funds.

As described by Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$92,671 (net of cash overdraft), whereas the related bank balances totaled \$144,664. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Capital One	\$ (3,179)	\$ (3,179)	None	Demand	Category 1
Business First	2,923	2,923	None	Demand	Category 1
JP Morgan Chase Bank	(43,885)	(43,885)	None	Demand	Category 1
First Federal	122,255	122,255	None	Demand	Category 1
Petty Cash	14,557	14,557	None	N/A	None
Total Cash - Unrestricted	<u>\$ 92,671</u>	<u>\$ 92,671</u>			

As illustrated in the above table, some of the Council's cash and investments are restricted assets for presentation in the Statement of Net Position. Restricted assets include amounts received or earned by the Council with an explicit understanding between the Council and the resource providers that the resource would be used for a specific purpose.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 consist of the following:

	General	Proprietary
Other	\$ 13,974	\$ 1,458
	<u>\$ 13,974</u>	<u>\$ 1,458</u>

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

Government grants and contracts receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year-end.

Government grants and contracts receivable at year-end consist of reimbursements for expenses incurred under the following programs:

Program	Fund	Provider	Amount
<u>Governmental Funds</u>			
Miscellaneous	General	City of Westlake	\$ 9,000
Miscellaneous	General	CPPJ	8,333
Miscellaneous	General	Ward I Rec	1,131
			<u>\$ 18,464</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

Because the council operates its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans.

A summary of these interfund loans, at year-end, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 180,565	\$ 38,387
Proprietary Funds:		
Bingo	-	180,565
Bingeaux Café	38,387	-
Total	<u>\$ 218,952</u>	<u>\$ 218,952</u>

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Governmental Activities

A summary of changes in capital assets and accumulated depreciation is as follows:

Capital Assets	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Furniture & equipment	168,602	-	-	168,602
Vehicles	158,109	-	-	158,109
Subtotals	<u>895,191</u>	<u>-</u>	<u>-</u>	<u>895,191</u>
Less accumulated depreciation:				
Building	(388,582)	(13,815)	-	(402,397)
Furniture & equipment	<u>(196,861)</u>	<u>(38,416)</u>	<u>-</u>	<u>(235,277)</u>
Subtotals	<u>(585,443)</u>	<u>(52,231)</u>	<u>-</u>	<u>(637,674)</u>
Land	<u>188,100</u>	<u>-</u>	<u>-</u>	<u>188,100</u>
Net capital assets - governmental activities	<u>\$ 497,848</u>	<u>\$ (52,231)</u>	<u>\$ -</u>	<u>\$ 445,617</u>

Depreciation was charged to governmental activities totaling \$52,231 as administration expense and to proprietary funds totaling \$23,329 for the year ended June 30, 2018.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 GOVERNMENTAL ACTIVITIES – LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2018 for the governmental activities of the Council.

	July 1, 2017	Principal		June 30, 2018	Due Within One Year
		Additions	Reductions		
Line of credit	\$ 195,000	\$ 75,000	\$ (195,000)	\$ 75,000	\$ 75,000
Note Payable	-	161,643	(1,024)	160,619	7,155
Compensated absences payable	40,417	6,894	(23,193)	24,118	24,118
Totals	<u>\$235,417</u>	<u>\$ 243,537</u>	<u>\$ (219,217)</u>	<u>\$ 259,737</u>	<u>\$ 106,273</u>

The liabilities for compensated absences have been reflected as current even though management is unsure as to the eventual payment date.

The line of credit and note payable consist of the following:

Revolving line of credit, First Federal Bank, due April 2, 2019, interest payable monthly, bearing interest at 6.75% per annum. The line of credit is collateralized by land and a building. \$ 75,000

Mortgage payable to First Federal Bank, original amount of \$161,643, due in 180 monthly installments of \$1,350 with a maturity date of April 2, 2033, bearing interest at 5.75%, collateralized by land and a building. 160,619
\$ 235,619

The annual requirements to amortize all debt outstanding at June 30, 2018, including interest payments of \$144,264 are as follows:

Year Ending June 30,	Principal	Interest
2019	\$ 82,155	\$ 9,042
2020	7,577	8,619
2021	8,024	8,172
2022	8,498	7,698
2023	9,000	7,196
2024-2028	53,625	27,356
2029-2033	66,740	76,181
	<u>\$ 235,619</u>	<u>\$ 144,264</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2018 for the proprietary activities of the Council.

	July 1, 2017	Principal		June 30, 2018	Due Within One Year
		Additions	Reductions		
Note payable	\$ 17,312	\$ -	\$ (3,554)	\$ 13,758	\$ 3,442
Capital lease	-	13,232	(2,859)	10,373	4,132
Compensated absences payable	3,700	-	(3,700)	-	-
Totals	<u>\$ 21,012</u>	<u>\$ 13,232</u>	<u>\$ (10,113)</u>	<u>\$ 24,131</u>	<u>\$ 7,574</u>

See Note 19 for further information on capital lease payable.

Note payable consists of the following:

Note payable to US Bank Equipment Finance, original amount of \$19,975, due in 60 monthly installments of \$430 with a maturity date of August 9, 2021, bearing interest at 11.01%, collateralized by equipment.	\$ 13,758
Less: current maturities of long-term debt	<u>(3,442)</u>
	<u>\$ 10,316</u>

The annual requirements to amortize the note payable at June 30, 2018 is as follows:

Year Ending June 30,	Principal	Interest
2019	\$ 3,442	\$ 1,325
2020	4,286	880
2021	4,782	384
2022	<u>1,248</u>	<u>12</u>
Totals	<u>\$ 13,758</u>	<u>\$ 2,601</u>

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Council did not have any utility assistance contributions that were unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council's Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS (CONTINUED)

The Council has assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. These amounts are also reported as restricted fund balance. Other restricted assets arise because of gifts solicited and collected for a specific purpose by the Council. Other assets are restricted by the terms and nature of the grant. Finally, some assets represent "deposits" pledged to confirm the Council's intentions with respect to certain projects. Related accumulated income is included in some of the restricted balances. Restricted fund balances consisted of: Title III C-1 in the amount of \$16,915, Title III C-2 in the amount of \$21,055, MIPPA in the amount of \$6,965 and Senior RX in the amount of \$3,721.

NOTE 11 IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. These amounts have been valued at their estimated fair market value for disclosure purposes. However, these amounts have not been reported in the financial statements.

A summary of the in-kind contribution and their respective assigned values is as follows:

<u>Governmental Funds</u>	<u>Salaries</u>	<u>Operating Services</u>	<u>Operating Supplies</u>	<u>Rent</u>	<u>Total In-Kind</u>
Senior Centers	\$ 84,324	\$ 30,732	\$ 15,192	\$ 214,500	\$ 344,748
III C-1 Congregate Meals	-	-	-	104,000	104,000
	<u>\$ 84,324</u>	<u>\$ 30,732</u>	<u>\$ 15,192</u>	<u>\$ 318,500</u>	<u>\$ 448,748</u>

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

NOTE 12 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 13 INCOME TAX STATUS

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 INCOME TAX STATUS (CONTINUED)

While the Council is exempt from federal income taxes, it is still subject to tax on unrelated business taxable income (UBTI) that is generated. The Council is liable for UBTI that was generated from instant bingo games (i.e. pull tabs), dauber sales, video bingo commissions, a portion of bingo session fees, video bingo operations, the operation of Bingeaux Café and unrelated debt financed income from the rental of the Bingo Hall.

Accounting Standards Codification 740 (ASC 740) requires that a tax position be recognized or derecognized based on a “more than not” threshold. This applies to positions taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Council has evaluated its tax position and determined that it does not have any uncertain tax positions that meet the requirements of ASC 740. Accordingly, implementation of ASC 740 did not have any impact on the accompanying financial statements.

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

The Council participates in a number of state and federal grant programs, which are governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Council has not complied with the rules and regulations governing the grants, refunds of any money received and the collectability of any related receivable at year end may be impaired. In management’s opinion, there are no significant contingent liabilities relating to compliance with the rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Council.

NOTE 15 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

As of the end of this fiscal year, the Council’s management has no knowledge of any pending litigation, lawsuits, or claims against the Council. Furthermore, the Council’s management believes that any unexpected lawsuits or claims that might be filed against the Council would be adequately covered by insurance or resolved without any material impact upon the Council’s financial statements.

NOTE 16 ECONOMIC DEPENDENCY

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

While the funds presented as Proprietary Funds will serve to reduce the dependency by the Council on federal and state grants, the Council is still deemed to be primarily dependent on the above grants to provide the basic operating funds.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 RISK MANAGEMENT

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

The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss, as a result of business interruption and certain acts of God, like floods or earthquakes.

NOTE 18 CHANGES IN FIDUCIARY FUNDS

Progressive Jackpot

Balance June 30, 2017	\$	84,000
Additions		140,200
Reductions		<u>(105,700)</u>
Balance June 30, 2018	\$	<u>118,500</u>

NOTE 19 OPERATING & CAPITAL LEASES

The Council has entered into long-term leases for digital copiers and vehicles. These leases do not meet the criteria established for capitalized lease reporting; therefore, the leases are reflected as operating leases. Terms of these leases are as follows:

	Monthly Payments	Number of Months	Date Lease Originated
(2) Digital copiers	\$ 652	36	4/30/2018
(3) Digital copiers	207	60	1/25/2013
(1) Vehicle	624	36	11/20/2016
(1) Vehicle	497	36	11/20/2016
(1) Vehicle	497	36	11/20/2016

Future minimum payments by year and in the aggregate, under these operating leases consist of the following at June 30, 2018:

Year Ending June 30,	Great Am. Digital Copiers	Ford Credit Vehicles	Totals
2019	\$ 7,821	\$ 19,426	\$ 27,247
2020	7,821	6,475	14,296
2021	<u>5,866</u>	<u>-</u>	<u>5,866</u>
Totals	<u>\$ 21,508</u>	<u>\$ 25,901</u>	<u>\$ 47,409</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 OPERATING & CAPITAL LEASES (CONTINUED)

Lease expense totaled \$44,619 for the year ended June 30, 2018, which includes other incidental lease payments.

The Council has acquired a security system under the provision of a long-term lease agreement. For financial reporting purposes, minimum lease payments have been capitalized and included in equipment on the balance sheet of the proprietary fund. The security equipment has a cost of \$13,232. Amortization of the leased equipment is included in depreciation expense.

The following is a schedule of future minimum lease payments under the capital lease for the proprietary activities:

June 30,	Principal	Interest
2019	\$ 4,132	\$ 1,439
2020	4,886	686
2021	1,355	38
Totals	\$ 10,373	\$ 2,163

NOTE 20 INTERFUND TRANSFERS

These amounts represent interfund transfers between funds to supplement current year programs:

	Funds transferring in:					
	General Fund	Title III B	Title III C-1	Title III C-2	Title III D	Title III E
<u>Funds transferring out:</u>						
Governmental Funds:						
General Fund	\$ -	\$ 405,426	\$ -	\$ -	\$ 20,704	\$ 41,497
Special Revenue:						
Title III C-1	16,595	-	-	-	-	-
Title III C-2	21,055	-	-	-	-	-
NSIP	-	-	-	93,914	-	-
MIPPA	6,965	-	-	-	-	-
SenioRx	3,721	-	-	-	-	-
Proprietary Funds:						
Bingo	475,647	-	-	-	-	-
Total	\$ 523,983	\$ 405,426	\$ -	\$ 93,914	\$ 20,704	\$ 41,497

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 INTERFUND TRANSFERS (CONTINUED)

	Funds transferring in:			
	Housing	Ombudsman	Energy Assistance	Totals
<u>Funds transferring out:</u>				
Governmental Funds:				
General Fund	\$ 12,951	\$ 10,099	\$ 322	\$ 490,999
Special Revenue:				
Title III C-1	-	-	-	16,595
Title III C-2	-	-	-	21,055
NSIP	-	-	-	93,914
MIPPA	-	-	-	6,965
SenioRx	-	-	-	3,721
Proprietary Funds:				
Bingo	-	-	-	475,647
Total	<u>\$ 12,951</u>	<u>\$ 10,099</u>	<u>\$ 322</u>	<u>\$ 1,108,896</u>

NOTE 21 RETIREMENT COMMITMENTS

Employees of the Council are participants in the Social Security system and retirement benefits are provided by that system.

Additionally, the Council established a 403(b) tax sheltered annuity plan effective September 1, 2001.

Any eligible employee shall be eligible to participate in salary reduction contributions hereunder on the date of such employee's employment with the employer. However, with respect to non-salary reduction contributions, any eligible employee who has completed one (1) year of service shall be eligible to participate hereunder as of the date such employee has satisfied such requirements.

For each plan year the employer shall contribute to the plan:

- a) The amount of the total salary reduction elections of all participants made shall be deemed an employer elective contribution.
- b) On behalf of each participant who is eligible to share in matching contributions for the Plan Year, a discretionary matching contribution equal to a uniform percentage of each such Participant's Deferred Compensation, the exact percentage, if any, to be determined each year by the Employer, which amount, if any, shall be deemed an Employer Non- Elective Contribution.
- c) All contributions by the Employer shall be made in cash.

Retirement expense totaled \$9,466 for the year ended June 30, 2018.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 DEFICIT FUND BALANCES

The General Fund had a deficit fund balance at June 30, 2018 in the amount of (\$97,204). The Council has implemented a number of strategies to reduce the deficit, including cost cutting measures and pursuing additional revenues from local sources.

NOTE 23 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to director Jackie Green for the year ended June 30, 2018.

Purpose	2018
Salary	\$ 91,728
Benefits - retirement	2,752
Total	\$ 94,480

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ (195,392)	\$(195,392)	\$ (195,392)	\$ -
Resources (inflows):				
Intergovernmental	262,822	262,822	297,619	34,797
Local and miscellaneous	26,219	26,219	114,900	88,681
Long-term debt issued	-	-	235,631	235,631
Transfers in	807,043	807,043	523,983	(283,060)
Amounts available for appropriation	<u>900,692</u>	<u>900,692</u>	<u>976,741</u>	<u>76,049</u>
Charges to appropriations (outflows):				
Personnel	191,539	191,539	97,579	93,960
Fringe	18,176	18,176	13,638	4,538
Travel	2,172	2,172	564	1,608
Operating services	38,963	38,963	114,653	(75,690)
Operating supplies	38,190	38,190	48,717	(10,527)
Other costs	98,269	98,269	98,269	(1)
Meals	8,408	8,408	9,377	(970)
Debt service-principle and interest	131,642	131,642	200,149	(68,508)
Transfers out	364,844	364,844	490,999	(126,156)
Total charges to appropriations	<u>892,201</u>	<u>892,201</u>	<u>1,073,945</u>	<u>(181,744)</u>
Budgetary fund balance, June 30	<u>\$ 8,491</u>	<u>\$ 8,491</u>	<u>\$ (97,204)</u>	<u>\$ (105,695)</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	441,918	441,918	215,042	(226,876)
Local and miscellaneous	25,500	25,500	29,282	3,782
Transfers in	-	-	405,426	405,426
Amounts available for appropriation	<u>467,418</u>	<u>467,418</u>	<u>649,750</u>	<u>182,332</u>
Charges to appropriations (outflows):				
Personnel	239,743	239,743	314,843	(75,100)
Fringe	22,472	22,472	31,918	(9,446)
Travel	963	963	28,858	(27,895)
Operating services	86,677	86,677	107,695	(21,018)
Operating supplies	33,544	33,544	51,477	(17,933)
Other Costs	8,192	8,192	15,346	(7,154)
Full service contracts	75,827	75,827	99,574	(23,747)
Meals	-	-	39	(39)
Total charges to appropriations	<u>467,418</u>	<u>467,418</u>	<u>649,750</u>	<u>(182,332)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	336,523	336,523	330,712	(5,811)
Local and miscellaneous	285,301	285,301	177,929	(107,372)
Transfers in	-	-	93,914	93,914
Amounts available for appropriation	<u>621,824</u>	<u>621,824</u>	<u>602,555</u>	<u>(19,269)</u>
Charges to appropriations (outflows):				
Personnel	198,904	198,904	191,280	7,624
Fringe	18,355	18,355	16,808	1,547
Travel	10,468	10,468	317	10,151
Operating services	70,820	70,820	57,144	13,676
Operating supplies	29,224	29,224	29,242	(18)
Other costs	2,142	2,142	-	2,142
Full service contracts	291,911	291,911	286,709	5,202
Total charges to appropriations	<u>621,824</u>	<u>621,824</u>	<u>602,555</u>	<u>19,269</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

The budget information presented in this section of required supplementary information applies to "major" governmental funds for which annual budgets were adopted. Budgetary information for "Nonmajor" funds has not been included anywhere in these financial statements.

The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- GOEA notifies the Council each year as to the funding levels for each of its programs.
- Management makes revenue projections based on the revenue information provided by GOEA, grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Management develops expenditure projections using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's Executive Director and Chief Operating Officer prepare a proposed budget based on the projections. The proposed budget is submitted to the Board of Directors for final approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board of directors meeting before May 31 of the current fiscal year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for compliance approval.
- Unused budgeted amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, the Council will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The "match" might be made in one year and the vehicles delivered in another year.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

- 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. During the fiscal year, management amended the Council's budget once at a board meeting in April 2016, using a similar procedure to the one used to approve the original budget. The adopted budget was rejected by GOEA because the budget packet failed to reflect efforts to reduce and eliminate the existing debt.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

<u>SenioRx</u>	<u>Energy</u>	<u>Housing Fund</u>	<u>MIPPA</u>	<u>Total</u>
\$ 89,511	\$ -	\$ -	\$ 8,130	\$ 495,474
3,890	-	-	-	3,890
-	-	-	-	2,688
-	864	-	-	864
<u>93,401</u>	<u>864</u>	<u>-</u>	<u>8,130</u>	<u>502,916</u>
71,734	-	-	-	272,395
6,466	-	-	-	23,502
520	-	-	-	6,316
5,187	-	-	1,165	51,610
1,536	-	-	-	10,030
4,144	-	2,154	-	8,690
-	-	-	-	82,654
93	-	-	-	114
-	1,186	-	-	1,186
<u>89,680</u>	<u>1,186</u>	<u>2,154</u>	<u>1,165</u>	<u>456,497</u>
<u>3,721</u>	<u>(322)</u>	<u>(2,154)</u>	<u>6,965</u>	<u>46,419</u>
-	322	12,951	-	85,573
<u>(3,721)</u>	<u>-</u>	<u>-</u>	<u>(6,965)</u>	<u>(121,195)</u>
<u>(3,721)</u>	<u>322</u>	<u>12,951</u>	<u>(6,965)</u>	<u>(35,622)</u>
-	-	10,797	-	10,797
-	-	<u>(10,797)</u>	-	<u>(10,797)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
**Comparative Schedule of General
Fixed Assets and Changes in General Fixed assets
Year Ended June 30, 2018**

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
General fixed assets, at cost:				
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Land	188,100	-	-	188,100
Vehicles	158,109	-	-	158,109
Furniture and equipment	168,602	-	-	168,602
Totals	\$ 1,083,291	\$ -	\$ -	\$ 1,083,291
Investment in general fixed assets:				
Property acquired with funds from:				
Local Funds	\$ 927,106	\$ -	\$ -	\$ 927,106
DOTD	134,392	-	-	134,392
SenioRx	18,443	-	-	18,443
Title III-B Ombudsman	3,350	-	-	3,350
Totals	\$ 1,083,291	\$ -	\$ -	\$ 1,083,291

Independent Auditor's Report on
Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

The Board of Directors
Calcasieu Parish Voluntary Council on the Aging, Inc.
Lake Charles, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc., as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Calcasieu Parish Voluntary Council on the Aging, Inc.'s basic financial statements and have issued our report thereon dated January 24, 2019.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. It is shown as item 2018-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. This finding is shown as item 2018-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 through 2018-003.

Calcasieu Parish Voluntary Council on Aging, Inc.'s Response to Findings

Calcasieu Parish Voluntary Council on the Aging, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Council's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the board of directors, management, others within the organization and is not intended to be and should not be used by anyone other than those specified parties. However, Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
January 24, 2019

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements as of and for the year ended June 30, 2018.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

One material weakness and one significant deficiency in internal control over financial reporting were disclosed during the audit of the financial statements. These findings are shown as items 2018-004 and 2018-005 in Part II below.

Material Noncompliance - Financial Reporting

There were three instances of noncompliance noted during the audit of the financial statements and are shown as items 2018-001 through 2018-003 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2018.

Part II Findings Relating to an Audit in Accordance with *Government Auditing Standards*

2018-001

Budget Variances

Condition:

The Council did not comply with the budget policy.

Criteria:

In accordance with the Council's budget policy, the General Fund and Title III-B budgets should be amended when actual revenues are less than the budgeted amount by more than ten percent or when actual costs are more than the budgeted amount by more than ten percent.

Cause:

The Council failed to adequately amend the budget at the end of fiscal year June 30, 2018.

Effect:

Inaccurate budgeting counters fiscal responsibility.

Recommendation:

The Council should monitor revenues and costs for each fund and amend the budgets when actual revenues are less than the budgeted amounts by more than ten percent or when actual costs are more than the budgeted amounts by more than ten percent.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

Part II Findings Relating to an Audit in Accordance with Government Auditing Standards
(continued)

2018-002

Late Submission of the Audited Financial Statements

Condition:

The audit report was not complete or submitted within the six months of the close of the entity's fiscal year-end.

Criteria:

Louisiana Revised Statute 24:513 provides that an annual audit report be remitted to the Louisiana Legislative Auditor within six months of the close of the fiscal year.

Cause:

During the year, the Council converted to a new accounting software which caused unforeseen reconciling issues.

Effect:

The Council is not in compliance with state audit law with respect to timeliness of submission.

Recommendation:

Communication with the auditor should be closely monitored to identify issues that may cause delays in issuing the audit report.

2018-003

Use of Public Funds

Condition:

The board approved up to \$2,000 of funds to be spent on Christmas gifts for employees.

Criteria:

Louisiana Revised Statute 24:513 states that if the state or local assistance received and/or expended by a quasi-public agency or body is commingled with other funds of the quasi-public agency or body then such state or local assistance and other funds of the quasi-public agency or body become public funds. In addition, AG Opinion 03-0157 states that public funds cannot be used to purchase Christmas gifts as this constitutes a violation of Article 7 Section 14.

Cause:

The employee Christmas gifts were paid through the Enterprise Fund (from a transfer in from the General Fund. Management was unaware that transferring between funds created a commingling of public funds.

Effect:

The Council is not in compliance with state audit law with respect to use of public funds.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

Part II Findings Relating to an Audit in Accordance with Government Auditing Standards
(continued)

Recommendation:

We recommend that any purchases that are intended to be made through the Enterprise Fund be made directly through the related cash account to avoid commingling private funds with public funds.

2018-004

Internal Controls Over Reconciliations

Condition:

The Council failed to properly reconcile various cash and expense accounts throughout the year.

Criteria:

Accounts should be reconciled to supporting documentation and budgets in a timely manner to ensure accuracy of financial reporting.

Cause:

A new accounting system was implemented during the year which created numerous accounting errors which were not identified until the audit. The Council did not reconcile account balances consistently throughout the year to supporting documentation and failed to ensure expenses were being properly allocated amongst funds.

Effect:

Failure to reconcile and adjust accounts hinders accurate financial statements. In addition, it creates a greater risk of errors and fraud.

Recommendation:

We recommend the Council seek assistance from its accounting software provider to ensure the software is fully integrated for the functions of the fund accounting. In addition, the Council should implement a process to closely monitor the recording, collecting and reconciling of accounts to the support and budgets.

2018-005

Unnecessary Credit Card Charges Incurred

Condition:

The Council incurred unnecessary late fees on its credit card.

Criteria:

The Council is responsible for making payments to the credit card company by the due date.

Cause:

The Council failed to ensure outstanding balances were paid timely.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

**Part II Findings Relating to an Audit in Accordance with Government Auditing Standards
(continued)**

Effect:

Not paying credit cards on time can result in public funds being spent unnecessarily on late fees and finance charges.

Recommendation:

The Council should develop and implement written policies and procedures to ensure bills are paid on time.

Part III Findings and Questioned Costs Relating to the Federal Programs

At June 30, 2018, the Council did not meet the requirement to have a single audit in accordance with the *Uniform Guidance*, therefore this section is not applicable.

Part IV Management Letter

A management letter was issued for fiscal year ended June 30, 2018.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

2017-001 Budget Variances

Status: This finding is unresolved. See current year finding 2018-001.

2017-002 Control over Disbursements

Status: This finding has been resolved.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2018

2018-001 Budget Variances

The Council will amend the budgets whenever actual revenues are less than budgeted amounts by more than ten percent or when actual costs are more than the budgeted amounts by more than ten percent.

2018-002 Late Submission of the Audited Financial Statements

The conversion to the new accounting software created numerous unforeseen issues that were not discovered until the audit began. Management intends to correct these issues and does not expect a late audit submission in the future.

2018-003 Use of Public Funds

Management was unaware that transferring between the General Fund and the Enterprise Fund caused the funds to be commingled. In the future, funds for private purchases will be purchased directly from the Enterprise cash accounts.

2018-004 Internal Controls Over Reconciliations

The Council will implement procedures to ensure account balances are reconciled on a monthly basis and operations are in-line with budgeted expectations.

2018-005 Unnecessary Credit Card Charges Incurred

The Council will implement procedures to ensure cash flow is available to pay bills in a timely manner.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
Calcasieu Council on Aging, Inc.
Lake Charles, Louisiana

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

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

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

Written policies and procedures were obtained and address all of the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

d) ***Receipts***, including receiving, recording, and preparing deposits

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and do not address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.

Written policies and procedures were obtained and address the functions noted above.

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

The entity is a nonprofit; therefore, this item is not applicable.

Board (or Finance Committee, if applicable)

- 2. Obtain and review the board/committee minutes for the fiscal period, and:

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

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board met in accordance with established legislation.

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

Obtained and reviewed minutes of the managing board for the fiscal period noting that the minutes did not reference budget to actual comparisons for the major funds.

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

referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

Obtained the prior year audit report noting a negative ending unrestricted fund balance. No reference to a formal plan was discussed in the obtained board minutes..

Bank Reconciliations

3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account.

Obtained listing of client bank accounts from management and management's representation that listing is complete.

Observe that:

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

Obtained bank statements and reconciliations noting that reconciliations have been prepared within 2 months.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation.

Obtained bank statements and reconciliations for the selected month in the fiscal period noting evidence of board member review.

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

Obtained bank statements and reconciliations for the selected month in the fiscal period noting management's documentation of research for items that have been outstanding for more than 12 months.

Collections

No exceptions were noted during the fiscal year ended June 30, 2017 AUP engagement; therefore, this section was excluded from testing this fiscal year

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

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

Listing of disbursements and management's representation that the listing is complete was obtained.

9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

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

Written policies and procedures were obtained and address the functions noted above.

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

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

No exception noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exception noted.

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

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

Listing of active credit cards, bank debit cards, fuel cards and name of person who maintain possession of cards and management's representation that the listing is complete was obtained.

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

a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain

public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

Monthly statements were obtained and address the functions noted above.

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

Monthly statements were obtained and finance charges were assessed.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

No exceptions noted.

Travel and Expense Reimbursement

No exceptions were noted during the fiscal year ended June 30, 2017 AUP engagement; therefore, this section was excluded from testing this fiscal year.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law¹² (e.g., solicited quotes or bids, advertised), if required by law.

Not applicable.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

No exceptions noted.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Not applicable, no contracts amended.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions noted.

Payroll and Personnel

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

Listing of employees with their related salaries and management's representation that the listing is complete was obtained and salaries agreed to contracts.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

No exceptions noted.

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

Management's representation that all forms were paid and filed by the required deadlines was obtained.

Ethics (excluding nonprofits)

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

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

No documentation noted for four of the five employees selected, although ethics training began for members of management.

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

No exceptions noted.

Debt Service (excluding nonprofits)

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

The entity is a nonprofit, therefore; this is not applicable.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

The entity is a nonprofit, therefore; this is not applicable.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management has asserted that the entity did not have any misappropriations of public funds or assets.

24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Required notices were posted on the entity's premises and website.

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

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

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
January 24, 2019



Calcasieu Parish Voluntary Council on the Aging, Inc.
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January 24, 2019

Darnall, Sikes & Frederick
A Corporation of Certified Public Accountants
Lafayette, Louisiana

The following is management's response to the 2017-18 AUP report submitted for the Calcasieu Council on Aging, Inc.

WRITTEN POLICIES AND PROCEDURES

1. f) In the future, the CCOA will include in its written policies and procedures for contracting on the following functions:
 - (1) types of services requiring written contracts
 - (2) standard terms and conditions
 - (3) legal review
 - (4) approval process
 - (5) monitoring process

BOARD OR FINANCE COMMITTEE

2. b) The board minutes going forward will reference or include monthly budget to actual comparisons of the general fund, major special revenue funds and major proprietary funds.
2. c) Board minutes will reference a formal plan to eliminate the negative unrestricted fund balance in the general fund.

CREDIT CARDS

12. b) Credit card policies and procedures including assessment of finance charges will be reviewed and enforced for compliance.

ETHICS

20. a) Management will continue to require all employees to take the require ethics training.