

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

JUNE 30, 2017

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Caddo Council On Aging, Inc. financial performance provides an overview of the Council's financial activities for the year ending June 30, 2017. This discussion should be read in conjunction with the Audited Financial Statements, which begin on page 1.

Financial Highlights

- The Council had a net decrease in overall net position of \$45,746 this year.
- Net Capital Assets of the Council decreased by \$13,782.
- No deficit fund balance exists at year-end.
- The unreserved, undesignated fund balance was \$900,447 at year-end.
- The Restricted, designated fund balance was 1,345,926.
- The council has no long term debt.

How to Use This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and The Statement of Activities (pages 4 and 5) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. The Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balance (on pages 6-8) provide information on how services were financed in the short-term as well as what remains for future spending.

Budgetary Comparison Schedules for the Council's major funds are on pages 24-29. These schedules compare Original Budget, Final Budget to Actual amounts for the year. The Schedule of Revenues, Expenditures, and Changes in Fund Balance for non-major funds is on page 31. This schedule reports in more detail the expenses of the non-major funds.

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

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

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

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

The Statement of Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include, but are not limited to, an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nutritional services, and disease prevention. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services the agency provides to the elderly. The people benefiting from the services are not required to pay for the services received. If the Council charged fees to cover all or most the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

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

The General Fund is used to account for all financial resources that are not restricted to specific funds. The Council's special funds are either major funds or non-major funds. Major funds are those funds whose revenues, expenses, assets or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is important to present for the Council's financial statement users. The Fund Financial Statements for the Council's major funds are on pages 24-29. These reports compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. The Council's major funds are the General Fund, Title IIIC-2 Home Delivered Meals, Title IIIB Supportive Services, Veterans Home and Community Based Services, Foster Grandparent and Designated (Restricted Gifts). The Fund Financial Statement for the Council's non-major funds is on page 31.

The special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes, other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control and manage funds for particular purposes or show that the fund is meeting legal requirements for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The difference between the net position of governmental activities and fund balances of the governmental funds is presented in reconciliation at the bottom of the Balance Sheet for Governmental Funds, which is on page 6. In addition, the difference between the change in fund balances for the governmental funds and the change in net assets for the governmental activities has been presented in reconciliation on page 8.

C. Notes to the Financial Statements

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 9. The notes to the financial statements should be read before making assumptions or conclusions about the Council's financial condition.

D. Supplementary information required by GASB statement 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget (see pages 24-29).

Management's Discussion and Analysis (MD&A) is also required supplementary information by GASB Statement 34. However, GASB Statement 34 requires the MD&A be presented as the first item in this reporting package and not with the other RSI, which is included later in this reporting package.

E. Supplementary information required by Governor's Office of Elderly Affairs

GOEA has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (see pages 31 and 32).

F. Supplementary information required by the Uniform Guidance

Title 2, U. S. Code of Federal Regulations (CFR) Part 200 (the Uniform Guidance) requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule presents information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council (see pages 33-35).

G. Supplementary information required by Act 706 of the 2014 Regular Legislative Session

Act 706 of the 2014 Regular Legislative Session which amends (R.S. 24:513(A)(3) requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees, be reported as a supplemental report within the financial statement of the local auditee (see page 30).

H. Analysis of the Council as a Whole Using Government-Wide Financial Statements

Table 1: *Condensed information on the Council's net position*

	2016	2017
Assets:		
Current and other assets	2,769,516	2,680,519
Capital Assets, net of accumulated depreciation	59,801	46,019
Total Assets	<u>2,829,317</u>	<u>2,726,538</u>
Liabilities:		
Other Liabilities	406,026	349,393
Vacation Liability	40,281	39,911
Total Liabilities	<u>446,307</u>	<u>389,304</u>
Net Position:		
Restricted	1,529,616	1,390,768
Unrestricted	793,593	900,447
Net Investment in Capital Assets	59,801	46,019
Total Net Position	<u><u>2,383,010</u></u>	<u><u>2,337,234</u></u>

As of June 30, 2017, the Council “as a whole” had assets greater than its liabilities by \$2,337,234. The Council’s total net position decreased from \$ 2,383,010 to 2,337,234. This equates to a decrease of 1.9%.

The Council’s unrestricted net assets increased \$106,854. It is important for the Council to have unrestricted net assets so that resources are available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in grant revenues by government agencies.

The Council’s restricted net assets decreased by \$138,848. Net assets are reported as restricted when the constraints placed upon the asset’s use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The liability for compensated absences decreased from \$40,281 to \$39,911. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. This amount varies from year to year because it is dependent on the vacation patterns of the employees, the number of employees, and the hourly rate of pay. This liability could adversely affect the Council’s financial position if it were to lay off a significant portion of its workforce. This event would trigger the immediate payment of unused vacation to terminated employees, resulting in the Council having to use unrestricted net assets to make the payment.

Other liabilities decreased by \$56,633. Other liabilities are costs for this year that were not paid at June 30th.

Table 2: Condensed information on the Increase/Decrease in Net Position

	<u>2016</u>	<u>2017</u>
Revenues :		
Program Revenues		
Operating Grants and Contributions	3,379,713	3,266,302
General Revenues		
Unrestricted Grants and Contributions	372,743	372,741
Total Revenues	<u>3,752,456</u>	<u>3,639,043</u>
 Governmental Activities:		
Health, Welfare & Social Services:		
Supportive Services:	347,526	286,150
Nutrition Services	1,503,177	1,480,235
Utility Assistance	5,899	-
Disease Prevention and Health Promotion	9,329	9,079
National Family Caregiver Support:	76,308	76,049
Louisiana SenioRx	123,049	118,350
Ombudsman	120,022	119,468
Foster Grandparent Program	298,969	322,696
Audit	17,000	16,400
Restricted Gifts	101,272	73,226
Veterans Home & Community Based Service	741,156	757,516
Other Local	10,373	137
Administration	411,092	425,513
Total Governmental Activities	<u>3,765,172</u>	<u>3,684,819</u>
(Deficiency) of Revenues over Expenses	<u>(12,716)</u>	<u>(45,776)</u>

I. Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. These grants represent 83% and 88% of the revenues of the Council for 2016 and 2017. Most of these grants are restricted which means that the money can only be used in designated programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients, the general public, community grants and fund raising activities. These revenues help to lessen the financial burden of the Council and help it to maintain services. Public support revenues represented 17% and 12% of the total revenues for 2016 and 2017.

The Council has invested idle funds and is able to earn interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

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

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

Comparing the amount of administrative costs as well as calculating the percentage administrative expenses bear in relation to total expenses is another indicator of how funds are used efficiently. Total administration expense for 2016 and 2017 were \$411,092 and \$425,513 which equates to 12%.

Table 3: *Services provided and measurable unit for FY-2016 & FY-2017*

	Measurable Unit	FY-2016	FY-2017
Congregate Meals	Meal	29,879	28,900
Foster Grandparent	Hour	71,840	77,688
Home Delivered Meals	Meal	305,037	293,113
Homemaker	Hour	4,592	2,240
Information & Assistance	Contact	2,357	2,623
Legal	Hour	177	145
NFCSP In-Home Respite	Hour	2,648	2,594
NFCSP I & A	Contact	115	87
Nutrition Education	Session	182	119
Ombudsman	Visit	586	542
Outreach	Contact	101	73
Personal Care	Hour	1,008	1,473
Senior Rx	Prescriptions	3,082	3,267
Transportation	One Way Trip	7,228	3,743
Wellness	Contact	355	209
Veterans Services	Hours	54,668	51,304

J. Analysis of the Council's Funds Using Governmental Fund Financial Statements

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may service as useful measure of a government's net resources available for spending at the end of the fiscal year. The Council showed a combined governmental fund balance of \$2,331,126 at the end of this year, which is a decrease of \$32,364 from last year. However, when you look at the funds individually you will see that the Council's General Fund increased by \$108,196 while Special Revenue Funds had a combined fund balance decrease of \$140,560 this year. Fundraising revenue from prior fiscal years of \$294,805 was used to supplement the Home Delivered Meal program in FY-2017. Therefore, the fund balance of the Designated Fund decreased.

The Council's General Fund revenues are comprised of Parish Council on Aging (Legislative) Funds, Caddo Parish Commission, General Donations from the public, Nutrition Service Incentive Program, interest income earned on unrestricted funds, Senior Center funds, and Supplemental Senior Center funds. In FY-2017 these funds supplemented the expenses of the following programs: Supportive Services, Home Delivered Meals, Preventive Health, Caregiver, Area Aging Agency, Congregate Meals and Audit programs.

Revenues & Expenses

In FY-2017 the council revenues decreased by \$113,413 and expenses decreased by \$80,347

- Home Delivered Meal Program – 293,113 meals were served in FY-2017, a decrease of 11,904 meals.
- Veterans Home & Community Based Services – Veterans received 51,304 hours of service in FY-2017. That is a decrease of 3,364 hours.

K. Analysis of the General Fund Budget

The council's budget was amended one time in FY-2017. The amendment was approved at the Board of Directors meeting on April 24, 2017. The amendment approved any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from the Governor's Office of Elderly Affairs.

You can find schedules of the original and amended budgets for the Major Funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 24 to 29. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that it made at the beginning of the year. With only two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

L. Analysis of Capital Asset and Debt Administration

At the end of the year, the Council had \$46,019 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$13,782 from last year. The council had no additions to fixed assets during 2017.

Table 4: Capital Assets, Net of Accumulated Depreciation at Year End

	FY-2016	FY-2017
Furniture & Equipment	768	374
Vehicles	59,033	45,645
	<u>59,801</u>	<u>46,019</u>

M. Economic Factors and Next Year's Budgets

The Council receives most of its funding from the Governor's Office of Elderly Affairs. Because of this, the source of income for the Council depends on the state's budget. The Council's grants and contracts from federal and state sources have been approved for FY-2018. Some of the Council's local grantors operate on a calendar year; as of today, notification has not been received of funding level for CY-2018.

The Council will adjust services accordingly once notification is received. Caddo Council on Aging will not be the sponsoring agency for the Foster Grandparent Program for FY-2018; hence the Council's revenues and expenses will decrease accordingly next year.

Contacting the Council's Management

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Monica Wright, the Council's Executive Director, at the Council's main office located at 1700 Buckner Street, Suite 240 Shreveport, LA 71101, by phone at (318) 676-7900, or by email at ccoa@caddocoa.org.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 27, 2017

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

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, as of and for the year ended June 30, 2017, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

HMV

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and *Budgetary Comparison Information* on Pages i-x and 24-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The information on Pages 30-35 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information if fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2017, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF NET POSITION

JUNE 30, 2017

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	2,298,883
Accounts receivable	157
Grants receivable	296,726
Prepaid expenses	84,753
Capital assets, net of accumulated depreciation	<u>46,019</u>
Total assets	2,726,538
<u>Liabilities:</u>	
Accounts payable to various vendors	319,393
Vacation liability	39,911
Other liabilities	<u>30,000</u>
Total liabilities	<u>389,304</u>
<u>Net position:</u>	
Restricted:	
Nutrition services-meals	55,016
Special revenue funds	1,335,752
Unreserved/undesignated	900,447
Net investment in capital assets	<u>46,019</u>
Total net position	<u><u>2,337,234</u></u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
<u>Programs:</u>		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:	-	-
Personal Care	38,862	3,056
Homemaker	52,975	4,166
Information and Assistance	127,331	10,015
Outreach	1,939	153
Transportation	54,868	4,315
Legal	10,175	-
Net Change in Supportive Service		
Nutrition Services		
Congregate Meals	149,547	11,920
Home Delivered Meals	1,330,688	106,473
Nutritional Incentive Program	-	-
Utility Assistance	-	
Disease Prevention and Health Promotion	9,079	480
National Family Caregiver Support		
NFCSCP In-Home Respite	62,296	4,722
Other Services	13,753	1,042
Net Change in National Family Caregiver Support		
Louisiana SenioRx (ADRC)	118,350	9,376
MIPPA	-	-
Ombudsman	119,468	9,119
Foster Grandparent Program	322,696	22,580
Audit	16,400	-
Restricted Fund	73,226	-
Veterans Home & Community Based Services	757,516	38,200
Support Coordination	-	-
Other Local	137	-
AAA & Administration	425,513	(225,617)
Total Governmental Activities	<u>3,684,819</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

<u>Program Revenues</u>		<u>Net (Expense) Revenue and Increase (Decrease) in Net Position</u>
<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
-	298,175	298,175
-	-	(41,918)
-	-	(57,141)
-	-	(137,346)
-	-	(2,092)
-	-	(59,183)
-	-	(10,175)
		<u>(9,680)</u>
-	143,537	(17,930)
-	550,641	(886,520)
-	232,529	232,529
	719	719
-	9,554	(5)
	81,535	81,535
-		(67,018)
-		(14,795)
		<u>(278)</u>
-	122,805	(4,921)
-	33,876	33,876
-	127,639	(948)
-	322,090	(23,186)
-	-	(16,400)
-	203,728	130,502
-	841,296	45,580
-	-	-
-	378	241
-	297,800	97,904
	<u>297,800</u>	<u>97,904</u>
<u>-</u>	<u>3,266,302</u>	<u>(418,517)</u>
General revenues:		
Grants and contributions not restricted to specific programs		<u>372,741</u>
(Decrease) in net position		(45,776)
Net position-beginning of year		<u>2,383,010</u>
Net position-end of year		<u>2,337,234</u>

CADDO COUNCIL ON AGING, INC.

BALANCE SHEET-GOVERNMENTAL FUNDS

AT JUNE 30, 2017

	General Fund	Title IIIB Supportive Service	Title III C-2 Home Delivered Meals	Veterans HCBS	Foster Grandparent Program	Restricted Contributions	Non-Major Funds	Total
<u>Assets:</u>								
Cash	2,241,400	-	-	-	-	57,483	-	2,298,883
Accounts receivable	157	-	-	-	-	-	-	157
Grants receivable	-	-	-	261,091	-	1,088	34,547	296,726
Due from other funds	55,016	10,295	21,462	166,959	2,101	1,045,066	19,043	1,319,942
Prepaid expenses	84,753	-	-	-	-	-	-	84,753
Total assets	2,381,326	10,295	21,462	428,050	2,101	1,103,637	53,590	4,000,461
<u>Liabilities:</u>								
Accounts payable	23,303	10,295	21,462	248,466	2,101	(9)	13,775	319,393
Due to other funds	1,287,807	-	-	-	-	-	32,135	1,319,942
Other liabilities	30,000	-	-	-	-	-	-	30,000
Total liabilities	1,341,110	10,295	21,462	248,466	2,101	(9)	45,910	1,669,335
<u>Fund Balance:</u>								
Nonspendable:								
Prepaid expenses	84,753	-	-	-	-	-	-	84,753
Restricted for:								
Nutrition services-meals	55,016	-	-	-	-	-	-	55,016
Special revenue funds	-	-	-	179,584	-	1,103,646	7,680	1,290,910
Unrestricted/undesignated	900,447	-	-	-	-	-	-	900,447
Total fund balances	1,040,216	-	-	179,584	-	1,103,646	7,680	2,331,126
Total Liabilities and Fund Balances	2,381,326	10,295	21,462	428,050	2,101	1,103,637	53,590	4,000,461

Total Fund Balances	2,331,126
Amounts reported for governmental activities in the statement of net assets are different because:	
- Vacation Liability is not paid for out of current financial resources and is therefore not reported in the funds.	(39,911)
- Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	46,019
Net assets of governmental activities	<u>2,337,234</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Title III B Supportive Services	Title III C-2 Home Delivered Meals	Veterans HCBS	Foster Grandparent	Restricted Contributions	Non-Major Funds	Totals
Revenues:								
Intergovernmental:								
 Governor's Office of Elderly Affairs:								
Primary Grants	-	298,155	433,361	-	-	-	570,746	1,302,262
PCOA	100,000	-	-	-	-	-	-	100,000
Nutrition Service Incentive Grant	232,529	-	-	-	-	-	-	232,529
Supplemental Senior Center	3,100	-	-	-	-	-	-	3,100
Senior Center	269,643	-	-	-	-	-	-	269,643
Department of Insurance	-	-	-	-	-	-	5,865	5,865
Corporation for National Service	-	-	-	-	322,000	-	-	322,000
FEMA	-	-	15,000	-	-	-	-	15,000
Department of Veterans Affairs	-	-	-	841,296	-	-	-	841,296
Community Development Block Grant	-	-	-	-	-	1,088	8,015	9,103
Caddo Parish Commission	90,000	-	-	-	-	-	-	90,000
City of Shreveport	-	-	-	-	-	-	7,000	7,000
Public Support-Restricted:								
Community Foundation North Louisiana	500	-	15,321	-	-	-	-	15,821
United Way	-	-	5,151	-	-	-	-	5,151
Grayson Foundation	-	-	20,000	-	-	-	-	20,000
Public Support-Unrestricted:								
Donations Unrestricted	42,216	20	26,296	-	-	52,416	200	121,148
Participant and Program Income	-	-	4,012	-	-	-	8,451	12,463
Fund Raising Revenues-Restricted	-	-	-	-	-	147,114	348	147,462
Fund Raising Revenues-Unrestricted	51,130	-	-	-	-	-	-	51,130
Interest Income	872	-	-	-	-	3,580	-	4,452
Other Income	30,002	-	31,500	-	90	-	1,779	63,371
Total Revenue	819,992	298,175	550,641	841,296	322,090	204,198	602,404	3,638,796
Expenditures:								
Salaries	9,854	141,718	286,775	67,850	94,054	11,322	369,270	980,843
Fringe benefits	2,238	28,964	44,207	12,475	20,484	2,889	77,311	188,568
Travel	245	7,594	43,747	3,243	1,496	137	19,412	75,874
Operating Services	1,595	20,135	85,560	10,049	6,712	54	39,941	164,046
Operating Supplies	738	955	16,857	426	1,359	-	2,257	22,592
Other Costs	20,592	4,561	12,370	23,881	15,299	58,827	28,376	163,906
Stipends	-	-	-	-	205,874	-	-	205,874
Cost of Meals	-	-	947,645	-	-	-	93,431	1,041,076
Client Services	-	103,929	-	677,792	-	-	46,910	828,631
Total Expenditures	35,262	307,856	1,437,161	795,716	345,278	73,229	676,908	3,671,410
Excess (Deficiency) of								
 Revenues Over Expenditures	784,730	(9,681)	(886,520)	45,580	(23,188)	130,969	(74,504)	(32,614)
Other Financing Sources (Uses):								
Transfers In	29,900	9,681	886,520	-	23,188	-	108,621	1,057,910
Transfers out	(706,434)	-	-	-	-	(294,413)	(57,063)	(1,057,910)
Proceeds from the Sale of Capital Assets	-	-	-	-	-	250	-	250
Total Other Financing Sources and Uses	(676,534)	9,681	886,520	-	23,188	(294,163)	51,558	250
Net Increase (Decrease)								
 in Fund Balances	108,196	-	-	45,580	-	(163,194)	(22,946)	(32,364)
Fund Balances:								
Beginning of Year	932,020	-	-	134,004	-	1,266,840	30,626	2,363,490
End of Year	1,040,216	-	-	179,584	-	1,103,646	7,680	2,331,126

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net (decrease) in fund balances-total governmental funds	(32,364)
<p>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 (\$13,786) differs from capital outlays (none) in the current period.</p>	
	(13,786)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Compensated absences	370
Rounding	<u>4</u>
(Decrease) in net position of governmental activities	<u>(45,776)</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

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

a. Purpose of the Council on Aging:

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

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

b. Reporting Entity:

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

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

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

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

Based on the criteria set forth in GASB Statement 14, the Caddo Council on Aging is not a component unit of another primary government nor does it have any component units that are related to it. In addition, based on the criteria set forth in GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally

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

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

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

c. Presentation of Statements:

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

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

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

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

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

d. Basic Financial Statements - Government-Wide Statements:

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

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

The content and certain titles of the GWFS were changed upon the adoption by the Council of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Council had no significant deferred outflows or inflows of resources at June 30, 2017.

Accordingly, the statement of net position presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

In the Government-Wide Statement of Net Position, the governmental type activities column is presented on a consolidated basis by column, and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - investment in capital assets, net of related debt; restricted; and unrestricted. Investment 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 consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Unrestricted includes all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

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

The GWFS reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted investment income, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues, such as operating and capital grants and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants. The Council did not receive any capital-specific grants this year.

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

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

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

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

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

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

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

- **The General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. It is a major fund on the Council's financial statements, and consists of the following types of programs:

Local

Local funds are received from various local sources. During the fiscal year, Caddo Parish provided \$90,000. All funds are provided to help the Council supplement the Homemaker and Home Delivered Meals programs.

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

PCOA (Act 735)

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

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

Senior Center

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The senior center for Caddo Parish is located in Shreveport. Senior Center Funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred most of its grant revenue to the Title III C-2 Fund to subsidize program costs of home-delivered meals.

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

- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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

Major Special Revenue Funds

The Title IIIB Supportive Services Funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program is used to provide the elderly various types of social services, including information and assistance, outreach and referral, Homemaker, telephoning, and utility assistance.

The Title III C-2 Home Delivered Meals Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served meals during the year to people eligible to participate in this program.

The Veterans HCBS Fund is used to account for funds that provide veterans the opportunity to hire their own personal care aides to assist them with daily living activities. The Council contracts with Overton Brooks VA Medical Center to provide this service.

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

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

The **Restricted Contributions Fund** is used to account for funds restricted by the donor for specific uses. Such restrictions generally relate to the provision of nutrition services to seniors.

Nonmajor Special Revenue Funds

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

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

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

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

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

SenioRx/Aging and Disability Resource Center (ADRC) Fund is provided for support services for access to prescription assistance and to promote public awareness of both public and private long-term support options for seniors and adults with disabilities. The program service area covers nine parishes. The program is administered by Louisiana Governor's Office of Elderly Affairs.

MIPPA Fund is provided to educate all partners and assist Area Agencies in their outreach and enrollment regarding benefits available under Medicare Part D, Medicare Savings Program, and Low-Income Subsidy Programs. The program is administered by Louisiana Governor's Office of Elderly Affairs.

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

Local and Miscellaneous (Designated) Funds include funds used to provide a variety of services for program participants.

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

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

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

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

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

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

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

g. **Interfund Activity:**

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

h. **Cash and Cash Equivalents:**

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

i. **Investments:**

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

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

deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

j. Prepaid Expenses/Expenditures:

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

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the Fund Financial Statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been reserved to reflect the amount of fund balance not currently available for expenditure.

k. Capital Assets:

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

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

Equipment	5 years
Vehicles	5 years
Computers	3 years

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

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

l. Unpaid Compensated Absences:

The Council's policies for vacation time permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the Government-Wide Statements. The amount accrued as the compensated absence liability was determined using

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

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 creates a reconciling item between the fund and government-wide financial statement presentations.

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

m. Allocation of Indirect Expenses:

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

n. Management's Use of Estimates:

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

o. Eliminations and Reclassifications:

In the process of aggregating data for the Statement of Net 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.

p. Fund Equity – Fund Financial Statements:

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources 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 purpose 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.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council's board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes.
- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

r. Budget Policy:

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

- The Governor's Office of Elderly Affairs (GOEA) and other funding agencies notify the Council each year as to the funding levels for each program's grant award.
- The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

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

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

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

Intergovernmental Grants

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

Public Support and Miscellaneous Revenues

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

3. **Cash in Bank**

At June 30, 2017, the carrying amount of the Council's deposits was as follows:

Community Foundation of Shreveport-Bossier	57,483
Petty cash	75
Payroll-checking	3,277
Operating-checking	2,012,879
Local funds-BFCU	<u>225,169</u>
Cash on deposit in banks	<u>2,298,883</u>

3. **Cash in Bank** (Continued)

All cash deposits are protected by federal deposit insurance and/or a pledge of qualified U.S. government (or its agencies) securities.

Interest bearing accounts consist of those in Barksdale Federal Credit Union.

4. **Grants Receivable**

Grants receivable at June 30, 2017 consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Bossier Community Development	General	1,088
GOEA	Special Revenue	34,546
Veterans Affairs	Special Revenue	<u>261,092</u>
		<u>296,726</u>

5. **In-Kind Contributions**

In addition to in-kind revenues presented in this report, the Council received \$87,907 in various in-kind contributions during the year which have been valued at their estimated fair market value.

In-kind contributions consisted of the following:

<u>Fund</u>	<u>Amount</u>
Title III C-2: Home Delivered Meals volunteer services	<u>87,907</u>

6. **Board of Directors' Compensation**

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

7. **Lease Commitments**

The Council leases space for its main office at 1700 Buckner Square, Shreveport, Louisiana. The terms of this lease require monthly payments of \$6,034 through July 2020. Only a portion of this lease is on a long-term basis; the remainder is month-to-month. This lease contains provisions that allow the commitment to be broken due to lack of funding. Total rent expense for the year ended June 30, 2017 amounted to \$74,787.

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

2018	72,408
2019	72,408
2020	72,408
2021	6,034
2022	-
Thereafter	-
	<u>223,258</u>

8. **Income Tax Status**

As a nonprofit, privately supported organization, Caddo Council on Aging is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code, but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Council is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Council must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Council does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Council's accounting records.

Caddo Council on Aging is required to file U. S. federal Form 990 for informational purposes. Its federal income tax returns for the tax fiscal years 2014 and beyond remain subject to examination by the Internal Revenue Service.

9. **Judgments, Claims, and Similar Contingencies**

There is no significant litigation pending against the Council at June 30, 2017. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

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

10. **Federally Assisted Programs**

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

In accordance with the Single Audit Act, as amended, a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

11. **Economic Dependency**

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

12. Interfund Transfers

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

Funds Transferred In	Funds Transferred Out								Total In
	PCOA	Nutritional Service	Senior Center	Supple- mental Senior Center	FGP Special	Local	Restricted Contributions	MIPPA	
Area Agency Administration	68,137	-	-	-	-	-	-	-	68,137
Supportive Services	-	-	-	-	-	9,681	-	-	9,681
Congregate Meals	-	17,930	-	-	-	-	-	-	17,930
Home-Delivered Meals	15,463	222,000	269,642	3,100	-	81,510	290,829	3,976	886,520
Preventive Health	-	-	-	-	-	5	-	-	5
Ombudsman	-	-	-	-	-	-	947	-	947
FGP	-	-	-	-	23,187	-	-	-	23,187
Audit	16,400	-	-	-	-	-	-	-	16,400
Caregiver	-	-	-	-	-	279	-	-	279
SenioRx	-	-	-	-	-	2,287	2,637	-	4,924
Local	-	-	-	-	-	-	-	29,900	29,900
Total Out	<u>100,000</u>	<u>239,930</u>	<u>269,642</u>	<u>3,100</u>	<u>23,187</u>	<u>93,762</u>	<u>294,413</u>	<u>33,876</u>	<u>1,057,910</u>

13. Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 2017, follows:

	Due From Other Funds	Due To Other Funds
General Fund	-	1,287,807
Special Revenue Funds:		
AAA Administration	3,499	-
Supportive Service	10,295	-
Congregate Meals	116	-
Home Delivered Meals	21,462	-
Ombudsman	2,306	-
Caregiver	3,125	-
SenioRx	-	2,235
MIPPA	-	29,900
Nutritional Service Incentive Program	55,016	-
Veterans HCBS	166,959	-
Support Coordination	2,075	-
CNCS/FGP	2,101	-
Senior Center Special	3,458	-
FGP-SP	3,710	-
Restricted Gifts	1,045,066	-
Indirect	754	-
Total Special Revenue funds	<u>1,319,942</u>	<u>32,135</u>
Total all funds	<u>1,319,942</u>	<u>1,319,942</u>

14. **Changes in Capital Assets**

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>6-30-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-17</u>
General fixed assets, at cost:				
Furniture and equipment	41,790	-	-	41,790
Vehicles	<u>203,234</u>	<u>-</u>	<u>19,865</u>	<u>183,369</u>
	245,024	-	19,865	225,159
Accumulated depreciation:				
Furniture and equipment	41,022	394	-	41,416
Vehicles	<u>144,201</u>	<u>13,388</u>	<u>19,865</u>	<u>137,724</u>
	<u>185,223</u>	<u>13,782</u>	<u>19,865</u>	<u>179,140</u>
Net capital assets	<u><u>59,801</u></u>	<u><u>(13,782)</u></u>	<u><u>-</u></u>	<u><u>46,019</u></u>

15. **Changes in Long-Term Debt**

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

	<u>Balance</u> <u>6-30-16</u>	<u>(Decrease)</u>	<u>Balance</u> <u>6-30-17</u>
Accrued compensated absences	<u>40,281</u>	<u>(370)</u>	<u>39,911</u>

16. **Risk Management**

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage. The Council's management has not purchased commercial insurance or made provision to cover or reduce the risk of loss as a result of business interruption and certain acts of God.

17. **Subsequent Event**

Beginning July 1, 2017, the Council elected to discontinue sponsoring the Foster Grandparent Program.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary Grants				
PCOA	100,000	100,000	100,000	-
Nutrition Service Incentive Grant	232,528	240,284	232,529	(7,755)
Supplemental Senior Center	3,100	3,100	3,100	-
Senior Center	269,643	269,643	269,643	-
Caddo Parish Commission	50,000	50,000	90,000	40,000
Public Support-Restricted				
Community Foundation North Louisiana	-	500	500	-
Public Support-Unrestricted				
Donations Unrestricted	6,110	40,000	42,216	2,216
Fund Raising Revenues-Restricted				
Fund Raising Revenues-Unrestricted	54,488	45,000	51,130	6,130
Interest Income	900	1,000	872	(128)
Other Income	1,000	25,000	30,002	5,002
Total Revenue	717,769	774,527	819,992	45,465
<u>Expenditures:</u>				
Salaries	10,000	15,000	9,854	5,146
Fringe Benefits	2,350	2,540	2,238	302
Travel	300	300	245	55
Operating Services	300	10,250	1,595	8,655
Operating Supplies	3,000	600	738	(138)
Other Costs	42,060	68,182	20,592	47,590
Total Expenditures	58,010	96,872	35,262	61,610
Excess (Deficiency) of Revenues Over Expenditures	659,759	677,655	784,730	107,075
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	29,900	29,900	-
Transfers Out	(659,759)	(707,555)	(706,434)	1,121
Total Other Financing Sources and Uses	(659,759)	(677,655)	(676,534)	1,121
Net Increase (Decrease) in Fund Balances	-	-	108,196	108,196
<u>Fund Balances:</u>				
Beginning of Year	932,020	932,020	932,020	-
End of Year	932,020	932,020	1,040,216	108,196

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE IIIB SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary Grants	298,155	298,155	298,155	-
Donations Unrestricted	-	-	20	20
Total Revenue	298,155	298,155	298,175	20
<u>Expenditures:</u>				
Salaries	142,386	144,246	141,718	2,528
Fringe Benefits	28,783	29,553	28,964	589
Travel	7,934	7,435	7,594	(159)
Operating Services	19,412	19,538	20,135	(597)
Operating Supplies	2,217	994	955	39
Other Costs	5,933	4,453	4,561	(108)
Client Services	103,551	104,051	103,929	122
Total Expenditures	310,216	310,270	307,856	2,414
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>(12,061)</u>	<u>(12,115)</u>	<u>(9,681)</u>	<u>2,434</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	12,061	12,115	9,681	(2,434)
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	12,061	12,115	9,681	(2,434)
<u>Net Increase (Decrease) in Fund Balances</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
End of Year	-	-	-	-

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE IIIC-2 HOME DELIVERED MEALS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary Grants	433,361	433,361	433,361	-
FEMA	-	15,000	15,000	-
Public Support-Restricted:				
Community Foundation North Louisiana	40,000	40,000	15,321	(24,679)
United Way	4,027	4,182	5,151	969
Grayson Foundation	-	20,000	20,000	-
Public Support-Unrestricted:				
Donations Unrestricted	-	7,500	26,296	18,796
Participant and Program Income	5,800	4,353	4,012	(341)
Other Income	-	20,000	31,500	11,500
Total Revenue	483,188	544,396	550,641	6,245
<u>Expenditures:</u>				
Salaries	274,229	279,672	286,775	(7,103)
Fringe Benefits	43,535	42,816	44,207	(1,391)
Travel	42,940	41,517	43,747	(2,230)
Operating Services	84,671	81,857	85,560	(3,703)
Operating Supplies	18,595	16,995	16,857	138
Other Costs	11,259	11,681	12,370	(689)
Cost of Meals	869,517	948,757	947,645	1,112
Total Expenditures	1,344,746	1,423,295	1,437,161	(13,866)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>(861,558)</u>	<u>(878,899)</u>	<u>(886,520)</u>	<u>(7,621)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	861,558	878,899	886,520	7,621
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	861,558	878,899	886,520	7,621
<u>Net Increase (Decrease) in Fund Balances</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
End of Year	-	-	-	-

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-VETERANS HOME AND COMMUNITY BASED SERVICES

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Department of Veterans Affairs	<u>827,109</u>	<u>806,333</u>	<u>841,296</u>	<u>34,963</u>
Total Revenue	827,109	806,333	841,296	34,963
<u>Expenditures:</u>				
Salaries	86,293	78,378	67,850	10,528
Fringe Benefits	16,387	14,190	12,475	1,715
Travel	3,366	3,231	3,243	(12)
Operating Services	14,439	11,943	10,049	1,894
Operating Supplies	4,064	758	426	332
Other Costs	28,560	23,833	23,881	(48)
Client Services	<u>674,000</u>	<u>674,000</u>	<u>677,792</u>	<u>(3,793)</u>
Total Expenditures	<u>827,109</u>	<u>806,333</u>	<u>795,716</u>	<u>10,616</u>
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	-	-	45,580	45,580
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources and Uses</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Increase (Decrease) in Fund Balances</u>	-	-	45,580	45,580
<u>Fund Balances:</u>				
Beginning of Year	<u>134,004</u>	<u>134,004</u>	<u>134,004</u>	<u>-</u>
End of Year	<u>134,004</u>	<u>134,004</u>	<u>179,584</u>	<u>45,580</u>

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-FOSTER GRANDPARENTS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Corporation for National Service	322,000	322,000	322,000	-
Public Support-Restricted:				
Community Foundation North Louisiana	12,500	12,500	-	(12,500)
Other Income	-	-	90	90
Total Revenue	334,500	334,500	322,090	(12,410)
<u>Expenditures:</u>				
Salaries	90,482	96,084	94,054	2,030
Fringe Benefits	20,979	21,070	20,484	586
Travel	1,938	1,484	1,496	(12)
Operating Services	8,719	7,124	6,712	412
Operating Supplies	2,066	1,308	1,359	(51)
Other Costs	20,684	17,294	15,299	1,995
Stipends	193,662	193,662	205,874	(12,212)
Total Expenditures	338,530	338,026	345,278	(7,252)
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	<u>(4,030)</u>	<u>(3,526)</u>	<u>(23,188)</u>	<u>(19,662)</u>
<u>Other Financing Sources (Uses):</u>				
Transfers In	4,030	3,526	23,188	19,662
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	4,030	3,526	23,188	19,662
<u>Net Increase (Decrease) in Fund Balances</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
End of Year	-	-	-	-

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-RESTRICTED CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Community Development Block Grant	-	-	1,088	1,088
Public Support-Unrestricted:				
Donations Unrestricted	64,775	50,000	52,416	2,416
Fund Raising Revenues-Restricted	311,488	307,504	147,114	(160,390)
Interest Income	<u>1,520</u>	<u>2,000</u>	<u>3,580</u>	<u>1,580</u>
 Total Revenue	 377,783	 359,504	 204,198	 (155,306)
<u>Expenditures:</u>				
Salaries	5,000	10,474	11,322	(848)
Fringe Benefits	1,245	1,265	2,889	(1,624)
Travel	-	100	137	(37)
Operating Services	50	-	54	(54)
Other Costs	<u>60,000</u>	<u>58,254</u>	<u>58,827</u>	<u>(573)</u>
 Total Expenditures	 <u>66,295</u>	 <u>70,093</u>	 <u>73,229</u>	 <u>(3,136)</u>
 <u>Excess (Deficiency) of Revenues Over Expenditures</u>	 311,488	 289,411	 130,969	 (158,442)
<u>Other Financing Sources (Uses):</u>				
Transfers In	-	-	-	-
Transfers Out	(311,488)	(289,411)	(294,413)	(5,002)
Proceeds from the Sale of Capital Assets	<u>-</u>	<u>-</u>	<u>250</u>	<u>250</u>
 Total Other Financing Sources and Uses	 <u>(311,488)</u>	 <u>(289,411)</u>	 <u>(294,163)</u>	 <u>(4,752)</u>
 <u>Net Increase (Decrease) in Fund Balances</u>	 -	 -	 (163,194)	 (163,194)
<u>Fund Balances:</u>				
Beginning of Year	<u>1,266,840</u>	<u>1,266,840</u>	<u>1,266,840</u>	<u>-</u>
End of Year	<u>1,266,840</u>	<u>1,266,840</u>	<u>1,103,646</u>	<u>(163,194)</u>

UNAUDITED

SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

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

FOR THE YEAR ENDED JUNE 30, 2017

Agency Head: Mary Alice Rountree

Salary	98,715
Benefits-insurance-health insurance	2,404
Benefits-retirement	2,991
Reimbursements	132
Local travel reimbursement and parking	398
Conference travel and meals reimbursement	796
Conference hotel, parking and air fare	1,492
Organizational dues and subscriptions	405
Cell phone, data plan	2,062

CADD O COUNCIL ON AGING, INC.

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

NON MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2017

	Title III C-1 AAA	Title III C-1 Congregate Meals	Title IIIB Ombudsman	Title III-D Preventive Health	Title III-E Caregiver	SenioRx	MIPPA	Audit	Other Local Program	Total
Revenues:										
Intergovernmental:										
Governor's Office of Elderly Affairs:										
Primary Grants	83,080	126,387	119,624	9,554	81,335	116,890	33,876	-	-	570,746
Department of Insurance	-	-	-	-	-	5,865	-	-	-	5,865
Community Development Block Grant	-	-	8,015	-	-	-	-	-	-	8,015
City of Shreveport	-	7,000	-	-	-	-	-	-	-	7,000
Donations Unrestricted	-	-	-	-	150	50	-	-	-	200
Participant and Program Income	-	8,401	-	-	50	-	-	-	-	8,451
Fund Raising Revenues-Restricted	-	-	-	-	-	-	-	-	348	348
Other Income	-	1,749	-	-	-	-	-	-	30	1,779
Total Revenue	83,080	143,537	127,639	9,554	81,535	122,805	33,876	-	378	602,404
Expenditures:										
Salaries	112,460	45,403	94,415	522	31,058	85,412	-	-	-	369,270
Fringe Benefits	24,640	10,214	16,530	87	6,605	19,235	-	-	-	77,311
Travel	3,097	817	13,165	17	173	2,143	-	-	-	19,412
Operating Services	9,082	8,914	3,442	67	2,811	15,625	-	-	-	39,941
Operating Supplies	517	539	428	4	285	347	-	-	137	2,257
Other Costs	1,421	2,149	607	863	1,971	4,965	-	16,400	-	28,376
Cost of Meals	-	93,431	-	-	-	-	-	-	-	93,431
Client Services	-	-	-	8,000	38,910	-	-	-	-	46,910
Total Expenditures	151,217	161,467	128,587	9,560	81,813	127,727	-	16,400	137	676,908
Excess (Deficiency) of Revenues Over Expenditures	(68,137)	(17,930)	(948)	(6)	(278)	(4,922)	33,876	(16,400)	241	(74,504)
Other Financing Sources (Uses):										
Transfers In	68,137	17,930	948	6	278	4,922	-	16,400	-	108,621
Transfers Out	-	-	-	-	-	-	(33,876)	-	(23,187)	(57,063)
Total Other Financing Sources and Uses	68,137	17,930	948	6	278	4,922	(33,876)	16,400	(23,187)	51,558
Net Increase (Decrease) in Fund Balances	-	-	-	-	-	-	-	-	(22,946)	(22,946)
Fund Balances:										
Beginning of Year	-	-	-	-	-	-	-	-	30,626	30,626
End of Year	-	-	-	-	-	-	-	-	7,680	7,680

CADDO COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND

CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>6-30-16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-17</u>
General fixed assets, at cost:				
Vehicles	203,234	-	19,865	183,369
Furniture and equipment	<u>41,790</u>	<u>-</u>	<u>-</u>	<u>41,790</u>
Total general fixed assets	<u>245,024</u>	<u>-</u>	<u>19,865</u>	<u>225,159</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Local funds (unreserved)	63,061	-	-	63,061
Legislative (PCOA)	19,321	-	-	19,321
Community Living Program	4,464	-	-	4,464
Community Living Program-CCAD	2,616	-	-	2,616
MOWAA	10,815	-	-	10,815
Grayson Foundation	30,413	-	-	30,413
FGP Special	1,382	-	-	1,382
SenioRx	1,428	-	-	1,428
D. Thomason Grant	15,000	-	-	15,000
Community Foundation	44,344	-	19,865	24,479
Franks Foundation	6,000	-	-	6,000
Chesapeake Energy	10,000	-	-	10,000
Twin Cities	2,000	-	-	2,000
Donated assets	<u>34,180</u>	<u>-</u>	<u>-</u>	<u>34,180</u>
Total inventory listing	<u>245,024</u>	<u>-</u>	<u>19,865</u>	<u>225,159</u>

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title IIIB-Ombudsman	93.044	97,003	97,003	97,003
Title IIIB-Supportive Services	93.044	176,321	<u>176,321</u>	<u>176,321</u>
			273,324	273,324
Title III C-1-Area Agency Administration	93.045	62,310	62,310	62,310
Title III C-1-Congregate Meals	93.045	115,823	115,823	115,823
Title III C-2-Home Delivered Meals	93.045	202,023	<u>202,023</u>	<u>202,023</u>
			380,156	380,156
Title III E-Caregiver	93.052	61,001	61,001	61,001
Title III D-Health Facilitation	93.043	9,554	9,554	9,554
Nutritional Services Incentive Program (2016)-Note 2	93.053	218,963	-	62,417
Nutritional Services Incentive Program (2017)-Note 2	93.053	232,529	<u>232,529</u>	<u>177,513</u>
			232,529	239,930
Medicare Improvements for Patients and Providers Act 2010	93.071	33,876	<u>33,876</u>	<u>33,876</u>
Total aging cluster			990,440	997,841
<u>Corporation for National and Community Service</u>				
Direct program:				
Foster Grandparents Program (FGP)	94.011	322,000	322,000	322,000
<u>Department of Veterans Affairs</u>				
Direct Program:				
VHA Home Care	64.044	841,296	841,296	841,296

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development</u>				
Passed through the City of Bossier: Community Development Block Grant	14.218	8,015	8,015	8,015
Passed through the City of Shreveport: Community Development Block Grant	14.218	1,088	<u>1,088</u>	<u>1,088</u>
			9,103	9,103
<u>Department of Homeland Security</u>				
Direct program:				
Emergency Food and Shelter National Board Program	97.024	15,000	<u>15,000</u>	<u>15,000</u>
Total Federal Awards			<u>2,177,839</u>	<u>2,185,240</u>

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Caddo Council on Aging, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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

2. Nutritional Services Incentive Program

Revenues and expenditures under this program are summarized as follows:

a. Fiscal Year 2016:

Expenditures of \$62,417 were from \$218,963 of unspent funds carried over from the fiscal year 2016 award.

b. Fiscal Year 2017:

Revenues recognized in fiscal year 2017 amounted to \$232,529. Of this amount, \$177,513 was expended; the remainder of \$55,016 is carried over to fiscal year 2018.

OTHER REPORTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 27, 2017

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

**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**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caddo Council on Aging, Inc. as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 27, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion of the effectiveness of the Council's internal control.

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

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

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Compliance and Other Matters

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

Purpose of this Report

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

HEARD, McELROY, & VESTAL

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December 27, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited Caddo Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caddo Council on Aging, Inc.'s major federal programs for the year ended June 30, 2017. Caddo Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

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Opinion on Each Major Federal Program

In our opinion, Caddo Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2017

A. Summary of Audit Results

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

<u>Program</u>	<u>CFDA No.</u>
Title IIIB-Ombudsman	93.044
Title IIIB-Supportive Services	93.044
Title III C-1 Area Agency Administration	93.045
Title III C-1 Congregate Meals	93.045
Title III C-2 Home Delivered Meals	93.045
Title III E-Caregiver	93.052
Title III D-Health Facilitation	93.043
Nutritional Services Incentive Program	93.053
Medicare Improvements for Patients and Providers	93.071

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Caddo Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CADDO COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2017

There were no findings and questioned costs from the prior year.

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December 27, 2017

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

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by Caddo Council on Aging, Inc. (CCOA) 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, 2016 through June 30, 2017. CCOA'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*, issued by the Comptroller General of the United States. 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 the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Written policies and procedures address preparation, adoption, monitoring, and amending the budget.

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- 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 address purchase initiation, the preparation and approval process of purchase requisitions and purchase orders, controls to ensure compliance with the public bid law, and documentation to be maintained for all bids and price quotes. They do not address how vendors are added to the vendor list.

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

Written policies and procedures address processing, reviewing, and approving disbursements.

- d) Receipts, including receiving, recording, and preparing deposits.

Written policies and procedures address receiving, recording and preparing deposits.

- 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 address payroll processing, reviewing and approving time and attendance records, including leave and overtime worked.

- 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.

The entity does not have written policies or procedures concerning contracting.

- 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.

The entity has policies and procedures dealing with credit cards, fuel cards, and purchase cards. However, with the exception of fuel cards, the policies do not address documentation requirements and required approvers.

- 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 address allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers.

- 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.

Not applicable, as the entity is a nonprofit, 501(c)(3) corporation.

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

Not applicable, as the entity is a nonprofit, 501(c)(3) corporation.

Board (or Finance Committee, if applicable)

2. Obtain and review the board/committee minutes for the fiscal period, and:
- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The entity's Board of Directors met six times during the year, the minimum allowed by the requirements of its bylaws.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

Each board meeting's minutes refer to budget-to-actual financial statement comparisons. No deficit spending took place during the fiscal year.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

At least one board meeting's minutes referenced non-budgetary financial information.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

A list of bank accounts was obtained from management.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than

five accounts). For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;

Bank reconciliations were prepared for all three accounts for each month in the fiscal year.

- 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; and

All bank reconciliations evidenced review by an independent member of management.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.
No reconciling items greater than 6 months old were noted.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

A listing of cash collection locations was obtained.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

Each person responsible for handling cash is insured. Each person responsible for collecting cash does not deposit the cash in the bank, record the cash transaction, reconcile the related bank account, or share the cash drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.

No exceptions were noted.

- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

No exceptions were noted.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

No exceptions were noted, except for checks under \$500 representing small donations, which may not be accompanied by documentary support. The entity electronically deposits all checks, and is required by its bank to shred those checks after 90 days. It is the entity's policy to not make and retain copies of checks received that are less than \$500; however, all supporting documents accompanying the check are retained.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

No exceptions were noted.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

A listing of disbursements made during the year was obtained.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.

The entity uses a purchase order system, which separates the initiation and approval functions, except for recurring expenses and utilities, lease payments, and insurance. Disbursements for meetings, registrations, and memberships do not require a purchase order.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.

All purchase orders were approved by an individual who did not initiate the purchase.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

All payments for purchases were supported by an approved invoice and, when applicable, related shipping documents. As noted above, not all purchases are required to have a purchase order. The entity does not use formal receiving reports.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

The same individual responsible for processing payments also is responsible for adding vendors to the entity's disbursement system. Beginning in September 2017, the individual responsible for processing payments no longer is authorized to add vendors to the purchasing system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Individuals with signatory authority may not initiate purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

The supply of unused checks is kept in a locked cabinet under the custody of individuals with no check signing authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

The entity does not use a signature stamp or signature machine.

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

14. 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.

A listing of active credit cards and related information was obtained, and management represented to us that the listing was complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

Monthly statements of all three cards, and supporting documentation was reviewed and approved in writing by an individual independent of the cardholder.

- b) Report whether finance charges and/or late fees were assessed on the selected statements.

No finance charges or late fees were assessed.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Each transaction on the monthly statements for the three cards is supported by required documentation.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

No transaction was required to meet bid or quote procedures.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

Travel and Expense Reimbursement

- 17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

A listing of all travel and related expense reimbursements, by person, during the fiscal year was obtained from the general ledger.

- 18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

The entity uses the guidelines of the State of Louisiana to reimburse travel and meals. The rates included in the entity's policy and for reimbursement did not exceed those stated in the guidelines.

- 19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and

choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

No exceptions were noted.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).

No exceptions were noted.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exceptions were noted.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

A listing of all contracts in effect during the year was obtained.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.

A formal written contract supports the service arrangement and amount paid for each vendor selected.

- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.

No contract selected was subject to the Louisiana Public Bid Law or Procurement Code.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.

Three contracts were amended and were provided for in the original contract terms.

Contract 1 stipulated a price amendment increase of 0.7%, based upon changes in the CPI.

Contract 2, based upon its renewal, stipulated a lower square footage rentable area with an \$1,128/month decrease.

Contract 3 stipulated a price amendment increase of \$0.20 per unit, based upon changes in the CPI.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.

The invoice and related payment of each selected contract complied with its terms.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Not applicable.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.

A listing of all employees and their related compensation was obtained.

Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.

Compensation paid to each selected employee was made in accordance with the terms and conditions of his contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Pay rate or salary changes applicable to each selected employee were approved in writing and in accordance with written policy.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether 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.)

All applicable employees documented their daily attendance and leave.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.

Written documentation of approved attendance and leave records of all applicable employees is maintained.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

The entity maintained written leave records on all applicable employees tested.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two

largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

A listing of all employees that terminated during the fiscal year was obtained. Their termination payments conformed to policy and were approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

All employee and employer portions for payroll taxes and contributions, and related required reporting forms, were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Not applicable, since the entity is a nonprofit.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Not applicable, since the entity is a nonprofit.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Not applicable, since the entity is a nonprofit.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable, since the entity is a nonprofit.

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Not applicable, since the entity is a nonprofit.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Management represented that the entity had no misappropriations of public funds or assets during the fiscal year.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

We observed the notice posted on the entity's website and on its premises.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Not applicable.

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.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana