

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

Financial Report

Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc. as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 43 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calcasieu Parish Voluntary Council on the Aging, Inc.'s basic financial statements. The schedule of non-major funds and comparative schedule of general fixed assets on pages 49 through 51 are presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the 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 basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we also issued a report dated December 20, 2017, on our consideration of the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 20, 2017

GOVERNMENT WIDE FINANCIAL STATEMENTS

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Net Position
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and cash equivalents	\$ 4,769	\$ 87,399	\$ 92,168
Accounts receivable	6,241	1,458	7,699
Grants and contracts receivables	42,574	-	42,574
Due from other funds	54,660	15,101	69,761
Other assets	4,070	-	4,070
Capital assets, net of accumulated depreciation	<u>497,848</u>	<u>212,739</u>	<u>710,587</u>
Total Assets	<u>610,162</u>	<u>316,697</u>	<u>926,859</u>
LIABILITIES			
Cash overdraft	8,316	-	8,316
Accounts payable	257,194	-	257,194
Accrued payroll	23,771	3,442	27,213
Other payables	1,169	2,400	3,569
Compensated absences payable	40,417	3,700	44,117
Due to other funds	28,053	41,708	69,761
Line of credit	<u>195,000</u>	<u>-</u>	<u>195,000</u>
Total Liabilities	<u>553,920</u>	<u>51,250</u>	<u>605,170</u>
NET POSITION			
Invested in capital assets, net of debt	302,848	212,739	515,587
Unrestricted	<u>(246,606)</u>	<u>38,838</u>	<u>(207,768)</u>
Total Net Position	<u>\$ 56,242</u>	<u>\$ 251,577</u>	<u>\$ 307,819</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2017

	Direct Expenses	Indirect Expenses
Function/Programs		
Primary Government		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive services:		
Homemaker	\$ 93,436	\$ 8,002
Information and assistance	7,342	8,058
Legal assistance	8,195	-
Material aid	-	-
Outreach	13,583	14,392
Other sub-priority services	161,314	189,211
Recreation	5	-
Nutrition services:		
Congregate meals	92,684	76,775
Home delivered meals	496,594	173,617
Disease prevention & health promotion	6,755	1,781
National family caregiver support	52,492	23,934
Long-term care ombudsman	85,352	20
Prescription assistance	113,297	-
Utility assistance	370	-
Housing	13,713	-
Multi-purpose senior centers	178,501	-
Administration	647,471	(368,418)
Total governmental activities	1,971,104	127,372
Business-Type Activities		
Bingo	2,981,142	-
Bingeaux Café	2,524	-
Total business-type activities	2,983,666	-
Total Primary Government	\$ 4,954,770	\$ 127,372

Charges for Services	Program Revenues		Net (Expense) Revenue and Increases (Decreases) in Net Position		Total
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
\$ 537	\$ 167,420	\$ -	\$ 66,519	\$ -	\$ 66,519
-	15,594	-	194	-	194
-	12,749	-	4,554	-	4,554
-	1,371	-	1,371	-	1,371
-	66,762	-	38,787	-	38,787
-	14,771	-	(335,754)	-	(335,754)
-	64,055	-	64,050	-	64,050
4,461	163,660	-	(1,338)	-	(1,338)
32,098	508,859	-	(129,254)	-	(129,254)
-	7,853	-	(683)	-	(683)
-	63,608	-	(12,818)	-	(12,818)
-	76,215	-	(9,157)	-	(9,157)
-	109,282	-	(4,015)	-	(4,015)
-	841	-	471	-	471
-	-	-	(13,713)	-	(13,713)
39,828	-	-	(138,673)	-	(138,673)
-	279,053	-	-	-	-
<u>76,924</u>	<u>1,552,094</u>	<u>-</u>	<u>(469,458)</u>	<u>-</u>	<u>(469,458)</u>
3,245,071	-	-	-	263,929	263,929
25,309	-	-	-	22,785	22,785
<u>3,270,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,714</u>	<u>286,714</u>
<u>\$ 3,347,304</u>	<u>\$ 1,552,094</u>	<u>\$ -</u>	<u>\$ (469,458)</u>	<u>\$ 286,714</u>	<u>(182,744)</u>
General Revenues:					
Grants and contributions not restricted to specific programs			143,521	-	143,521
Unrestricted investment income			5	-	5
Miscellaneous			24,124	-	24,124
Transfers			296,388	(296,388)	-
Total general revenues and transfers			<u>464,038</u>	<u>(296,388)</u>	<u>167,650</u>
Decrease in net assets			(5,420)	(9,674)	(15,094)
Net position - beginning of the year			<u>61,662</u>	<u>261,251</u>	<u>322,913</u>
Net position - end of the year			<u>\$ 56,242</u>	<u>\$ 251,577</u>	<u>\$ 307,819</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

**Balance Sheet
Governmental Funds
June 30, 2017**

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
ASSETS					
Cash and cash equivalents	\$ 4,769	\$ -	\$ -	\$ -	\$ 4,769
Accounts receivable	6,241	-	-	-	6,241
Grants and contracts receivable	42,574	-	-	-	42,574
Due from other funds	54,660	-	-	-	54,660
Other assets	1,916	-	-	2,154	4,070
Total Assets	\$ 110,160	\$ -	\$ -	\$ 2,154	\$ 112,314
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Cash overdraft	\$ 8,316	\$ -	\$ -	\$ -	\$ 8,316
Accounts payable	257,194	-	-	-	257,194
Accrued payroll	23,771	-	-	-	23,771
Other payables	1,169	-	-	-	1,169
Due to other funds	15,102	-	-	12,951	28,053
Total Liabilities	305,552	-	-	12,951	310,187
FUND BALANCES					
Unassigned	(195,392)	-	-	(10,797)	(206,189)
Total Fund Balances	(195,392)	-	-	(10,797)	(206,189)
Total Liabilities and Fund Balances	\$ 110,160	\$ -	\$ -	\$ 2,154	

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

-Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	\$ 497,848
-Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds	(195,000)
-Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	(40,417)
Net position of governmental activities	\$ 56,242

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds**

Year Ended June 30, 2017

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 264,050	\$ 158,098	\$ 332,773	\$ 512,959	\$ 1,267,880
LA Department of Insurance	-	-	-	10,000	10,000
LA Department of Transportation & Development	-	158,552	-	-	158,552
Calcasieu Parish Police Jury	19,446	-	100,000	-	119,446
City of Sulphur	16,000	-	-	-	16,000
Public support:					
Contributions - unrestricted	47,738	-	-	4,461	52,199
United Way of Southwest Louisiana	-	25,527	60,000	-	85,527
Utility company assistance programs	-	-	-	841	841
Client contributions	28,915	425	32,095	-	61,435
Interest and other income	5	-	-	-	5
Program service fees:					
Medicaid fees	-	112	-	-	112
Local and miscellaneous	24,124	546	-	-	24,670
Total Revenues	<u>400,278</u>	<u>343,260</u>	<u>524,868</u>	<u>528,261</u>	<u>1,796,667</u>
EXPENDITURES					
Health, Welfare, & Social Services					
Current:					
Salaries	111,363	246,298	218,579	281,460	857,700
Fringe	10,517	21,178	20,122	26,856	78,673
Travel	1,914	27,801	128	5,876	35,719
Operating services	102,245	70,538	72,151	58,794	303,728
Operating supplies	63,486	30,946	43,883	16,079	154,394
Other costs	98,268	13,653	-	13,658	125,579
Full service contracts	-	93,124	315,348	63,959	472,431
Meals	7,438	-	-	120	7,558
Utility assistance	-	-	-	370	370
Capital outlay	13,499	-	-	-	13,499
Debt service - principal and interest	63,134	-	-	-	63,134
Total Expenditures	<u>471,864</u>	<u>503,538</u>	<u>670,211</u>	<u>467,172</u>	<u>2,112,785</u>
Excess (deficiency) of revenues over expenditures	<u>(71,586)</u>	<u>(160,278)</u>	<u>(145,343)</u>	<u>61,089</u>	<u>(316,118)</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	324,693	160,278	145,343	35,411	665,725
Operating transfers out	<u>(238,688)</u>	<u>-</u>	<u>-</u>	<u>(130,649)</u>	<u>(369,337)</u>
Total other financing sources (uses)	<u>86,005</u>	<u>160,278</u>	<u>145,343</u>	<u>(95,238)</u>	<u>296,388</u>
Excess (Deficiency) of revenues and other sources over expenditures and other (uses)	14,419	-	-	(34,149)	(19,730)
FUND BALANCES					
Beginning of the year	<u>(209,811)</u>	<u>-</u>	<u>-</u>	<u>23,352</u>	<u>(186,459)</u>
End of the year	<u>\$ (195,392)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,797)</u>	<u>\$ (206,189)</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2017

Net decrease in fund balances - total governmental funds	\$ (19,730)
Reconciling items:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$48,856) exceeds capital outlay (\$13,499) in the current period.	(35,357)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources. This is the amount by which debt proceeds exceed debt service principal payments.	55,000
Compensated absences is reported as an expense in the statement of activities, but as they do not require the use of current financial resources, they are not reported as expenditures in governmental funds	<u>(5,333)</u>
Decrease in net assets of governmental activities	<u>\$ (5,420)</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Net Position
 Proprietary Funds
 June 30, 2017

	Business-type Activities Enterprise Funds		Total
	Bingo Account	Bingeaux Café	
ASSETS			
Current assets:			
Cash	\$ 87,399	\$ -	\$ 87,399
Miscellaneous receivable	1,458	-	1,458
Due from other funds	-	15,101	15,101
Total current assets	<u>88,857</u>	<u>15,101</u>	<u>103,958</u>
Noncurrent assets:			
Capital assets			
Equipment	83,176	58,720	141,896
Furniture and fixtures	26,690	-	26,690
Building improvements	291,898	10,942	302,840
Land improvements	136,048	-	136,048
Less: accumulated depreciation	(328,797)	(65,938)	(394,735)
Property and equipment, net	<u>209,015</u>	<u>3,724</u>	<u>212,739</u>
Noncurrent assets	<u>209,015</u>	<u>3,724</u>	<u>212,739</u>
Total assets	<u>\$ 297,872</u>	<u>\$ 18,825</u>	<u>\$ 316,697</u>
LIABILITIES			
Current liabilities:			
Other payables	2,400	-	2,400
Current portion of note payable	3,442	-	3,442
Due to other funds	41,708	-	41,708
Accrued leave payable	3,700	-	3,700
Total current liabilities	<u>51,250</u>	<u>-</u>	<u>51,250</u>
Long term liabilities:			
Note payable	<u>13,870</u>	<u>-</u>	<u>13,870</u>
Total current liabilities	<u>13,870</u>	<u>-</u>	<u>13,870</u>
Total liabilities	<u>65,120</u>	<u>-</u>	<u>65,120</u>
NET POSITION			
Invested in capital assets, net of debt	209,015	3,724	212,739
Unrestricted	<u>23,737</u>	<u>15,101</u>	<u>38,838</u>
Total Net Position	<u>\$ 232,752</u>	<u>\$ 18,825</u>	<u>\$ 251,577</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2017

	Bingo Account	Bingeaux Café	Total
OPERATING REVENUES:			
Charges for sales and services	\$ 2,938,871	\$ -	\$ 2,938,871
Rental income	306,200	18,000	324,200
Miscellaneous income	-	7,309	7,309
Total operating revenue	<u>3,245,071</u>	<u>25,309</u>	<u>3,270,380</u>
OPERATING EXPENSE			
Cost of sales and services	2,420,530	-	2,420,530
Salaries	304,705	-	304,705
Fringe	28,022	-	28,022
Operating services	161,288	245	161,533
Operating supplies	25,871	-	25,871
Meals	1,202	-	1,202
Depreciation	22,031	2,279	24,310
Total operating expenses	<u>2,963,649</u>	<u>2,524</u>	<u>2,966,173</u>
Operating income	281,422	22,785	304,207
NONOPERATING REVENUE (EXPENSES)			
Interest expense	<u>(17,493)</u>	-	<u>(17,493)</u>
Total nonoperating expenses	<u>(17,493)</u>	-	<u>(17,493)</u>
Income before transfers	263,929	22,785	286,714
Transfers out	<u>(286,833)</u>	<u>(9,555)</u>	<u>(296,388)</u>
Net transfers	<u>(286,833)</u>	<u>(9,555)</u>	<u>(296,388)</u>
Change in net assets	(22,904)	13,230	(9,674)
Net position, beginning	<u>255,656</u>	<u>5,595</u>	<u>261,251</u>
Net position, ending	<u>\$ 232,752</u>	<u>\$ 18,825</u>	<u>\$ 251,577</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2017

	Business-type Activities - Enterprise Funds		Total
	Proprietary Fund Types		
	Bingo Account	Bingeaux Café	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 3,247,068	\$ 10,208	\$ 3,257,276
Cash payments for cost of sales and prizes	(2,419,330)	-	(2,419,330)
Cash payments to suppliers for goods and services	(188,361)	(245)	(188,606)
Cash payments to employees and professional contractors for services	<u>(332,283)</u>	<u>-</u>	<u>(332,283)</u>
Net cash provided by operating activities	<u>307,094</u>	<u>9,963</u>	<u>317,057</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	38,372	(408)	37,964
Transfers out	<u>(286,833)</u>	<u>(9,555)</u>	<u>(296,388)</u>
Net cash used by noncapital financing activities	<u>(248,461)</u>	<u>(9,963)</u>	<u>(258,424)</u>
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(2,664)	-	(2,664)
Payment of interest	<u>(17,493)</u>	<u>-</u>	<u>(17,493)</u>
Net cash used by capital and capital related financing activities	<u>(20,157)</u>	<u>-</u>	<u>(20,157)</u>
Net increase in cash and cash equivalents	38,476	-	38,476
Cash beginning of year	<u>48,923</u>	<u>-</u>	<u>48,923</u>
Cash end of year	<u>\$ 87,399</u>	<u>\$ -</u>	<u>\$ 87,399</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	281,422	22,785	304,207
Add depreciation expense	22,031	2,279	24,310
(Increase) decrease in current assets:			
Miscellaneous receivable	1,997	(15,101)	(13,104)
Decrease in current liabilities:			
Other payables	1,200	-	1,200
Accrued leave payable	<u>444</u>	<u>-</u>	<u>444</u>
Net cash provided by operating activities	<u>\$ 307,094</u>	<u>\$ 9,963</u>	<u>\$ 317,057</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Fiduciary Net Position-
Fiduciary Fund
Year Ended June 30, 2017

	<u>Progressive Jackpot</u>
ASSETS	
Cash	\$ 84,000
Total Assets	<u>\$ 84,000</u>
NET POSITION	
Held in trust for payment to progressive game winners	<u>\$ 84,000</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Changes in Fiduciary Net Position-
Fiduciary Fund
Year Ended June 30, 2017

	<u>Progressive Jackpot</u>
ADDITIONS	
Deposits by session participants	\$ 175,800
Additional required deposits	<u>1,200</u>
Total additions	<u>177,000</u>
DEDUCTIONS	
Payments to game winners	<u>129,100</u>
Total deductions	<u>129,100</u>
 Change in net assets	 47,900
 Net position - July 1, 2016	 <u>36,100</u>
Net position - June 30, 2017	<u>\$ 84,000</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

Based on the criteria set forth in GASB Statement 14, *The Financial Reporting Entity*, the Council is not a component unit of another primary government, nor does it have any component units that are related to it. In addition, based on the criteria set forth in this statement, the Council has presented its financial statements as a special-purpose, stand-alone government; accordingly, it is applying the provisions of Statement 14 as if it were a primary government.

C. Presentation of Statements

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

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities or "business" activities. The Council does not have any fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

D. Basic Financial Statements – Government-Wide Statements

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

In the Government-Wide Statement of Net Position, the governmental type activities column and business-type activities column (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net position consists of net positions with constraints placed on the use either by (1) external groups such as

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted public support, particularly if the function or program has a net cost. The Statement of Activities begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as charges for services, operating and capital grants, and restricted contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

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

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

E. Basic Financial Statements - Fund Financial Statements

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2017, the Council received this grant money into its General Fund and management transferred all \$86,255 of the PCOA funds to the Title III C-2 Nutrition Services Fund to help pay for program expenditures of that fund.

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which in turn "passes through" the funds to the Council. The purpose of this program is to provide a community service center at which elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates four senior centers in Calcasieu Parish, Louisiana. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly.

The Supplemental Senior Center Fund was established to account for funds that were appropriated by the Louisiana Legislature for the various councils on aging throughout Louisiana to supplement each council's primary grant for senior center operations and activities. The Calcasieu Parish Voluntary Council on the Aging, Inc. was one of the parish councils to receive a supplemental grant of \$3,100. The money received by this fund during the year was transferred to the Title III B Fund to supplement the supportive services provided by this fund. GOEA provided these funds to the Council.

The Title III-C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Major Special Revenue Funds

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

	<u>Units</u>
Homemaker	2,434
Information and assistance	2,526
Telephoning	6,316
Legal assistance	128
Outreach	1,284
Medical alert	52
Recreation	27,024
Utility assistance	554
Wellness	66

The three main sources of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part B Supportive Services (\$158,098), funding received from Louisiana Department of Transportation (\$158,552) and restricted, voluntary contributions from the public (\$26,608), including those people who actually received transportation and homemaker services.

The **Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 108,407 meals and also provided 211 units of nutritional education during the year to people eligible to participate in this program.

There were three main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-2 Nutrition Services (\$332,773), Grants from Calcasieu Parish Police Jury (\$100,000), and restricted, voluntary contributions from the public (\$92,095), including those persons actually receiving home-delivered meal services.

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2017, the Council served about 12,653 congregate meals and also provided 45 units of nutritional education to eligible participants.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

There was one main source of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging _ Title III, Part C-1 Nutrition Services (\$163,660).

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 131 units of wellness service were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services (\$7,852).

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

	<u>Units</u>
Information and assistance	159
Outreach	49
Material aid	87
In-home respite	1,463
Support group	121
Public education	47
Personal care	371
Sitter	192

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E _ National Family Caregivers Support Program (\$63,605).

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

The Housing Fund was created to assist in the development of affordable housing for the elderly.

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

Business – Type Funds

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

The following enterprise funds are utilized by the Council:

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

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

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

The following funds are fiduciary funds:

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

F. Measurement Focus and Basis of Accounting

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Modified Accrual Basis – Fund Financial Statements (FFS):

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

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

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

I. Receivables

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

J. Inventory

For proprietary funds, inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed, whereas proprietary funds recorded them when consumed.

K. Prepaid Expenses/Expenditures

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

L. Capital Assets

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

Government-Wide Financial Statements

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

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

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

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

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

M. Non-Current (Long-term) Liabilities

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

N. Unpaid Compensated Absences

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

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

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

O. Deferred Revenues

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

P. Net Position in the Government-wide Financial Statements

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

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council did not have any borrowings that were related to capital assets.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Q. Fund Equity – Fund Financial Statements

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

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The Council did not have any nonspendable resources as of year-end.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Council did not have any restricted fund balances as of June 30, 2017.

- Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council’s board of directors, which is the Council’s highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year-end.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

R. Management's Use of Estimates

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

S. Allocation of Indirect Expenses

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

T. Elimination and Reclassifications

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

U. Subsequent Events

Management has evaluated subsequent events through December 20, 2017, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

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

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

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

NOTE 3 CASH MANAGEMENT AND DEPOSITS

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$83,852 (net of cash overdraft), whereas the related bank balances totaled \$104,238. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Capital One	\$ 192	\$ 192	None	Demand	Category 1
Business First	2,917	2,917	None	Demand	Category 1
JP Morgan Chase Bank	65,946	65,946	None	Demand	Category 1
Petty Cash	14,797	14,797	None	N/A	None
Total Cash - Unrestricted	<u>\$ 83,852</u>	<u>\$ 83,852</u>			

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consist of the following:

	General	Proprietary
Other	\$ 6,241	\$ 1,458
	<u>\$ 6,241</u>	<u>\$ 1,458</u>

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

Program	Fund	Provider	Amount
<u>Governmental Funds</u>			
Miscellaneous	General	City of Westlake	\$ 9,031
Miscellaneous	General	CPPJ	8,333
Miscellaneous	General	Ward I Rec	2,689
MIPPA	MIPPA	GOEA	180
Senior Center	Senior Center	SHIP	4,139
Title IIIB	Title IIIB	LADOTD	18,202
			<u>\$ 42,574</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

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

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 54,660	\$ 15,102
Special Revenue Funds:		
Housing	-	12,951
Proprietary Funds:		
Bingo	-	41,709
Bingeaux Café	<u>15,102</u>	<u>-</u>
Total	<u>\$ 69,762</u>	<u>\$ 69,762</u>

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

Governmental Activities

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

<u>Capital Assets</u>	<u>Balance June 30, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Furniture & equipment	155,103	13,499	-	168,602
Vehicles	<u>158,109</u>	<u>-</u>	<u>-</u>	<u>158,109</u>
Subtotals	<u>881,692</u>	<u>13,499</u>	<u>-</u>	<u>895,191</u>
Less accumulated depreciation:				
Building	(374,767)	(13,815)	-	(388,582)
Furniture & equipment	<u>(161,820)</u>	<u>(35,041)</u>	<u>-</u>	<u>(196,861)</u>
Subtotals	<u>(536,587)</u>	<u>(48,856)</u>	<u>-</u>	<u>(585,443)</u>
Land	<u>188,100</u>	<u>-</u>	<u>-</u>	<u>188,100</u>
Net capital assets - governmental activities	<u>\$ 533,205</u>	<u>\$ (35,357)</u>	<u>\$ -</u>	<u>\$ 497,848</u>

Depreciation was charged to governmental activities totaling \$48,856 as administration expense and to proprietary funds totaling \$24,310 for the year ended June 30, 2017.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 GOVERNMENTAL ACTIVITIES – LONG TERM DEBT

The following is a summary of changes in the notes payable for the year ended June 30, 2017.

	July 1, 2016	Principal		June 30, 2017	Due Within One Year
		Additions	Reductions		
Line of credit	\$ 250,000	\$ -	\$ (55,000)	\$ 195,000	\$ 195,000
Compensated absences payable	<u>35,084</u>	<u>(3,633)</u>	<u>8,966</u>	<u>40,417</u>	<u>40,417</u>
Totals	<u>\$ 285,084</u>	<u>\$ (3,633)</u>	<u>\$ (46,034)</u>	<u>\$ 235,417</u>	<u>\$ 235,417</u>

Line of credit consists of the following:

Revolving line of credit, Chase Bank, due August 1, 2018, interest payable monthly, bearing interest at the adjusted LIBOR rate (the applicable margin rate of 9.524% plus LIBOR) per annum. The credit is collateralized by land and building.

\$ 195,000

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

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT

	July 1, 2016	Principal		June 30, 2017	Due Within One Year
		Additions	Reductions		
Note payable	\$ -	\$ 19,975	\$ (2,663)	\$ 17,312	\$ 3,442
Compensated absences payable	<u>3,256</u>	<u>444</u>	<u>-</u>	<u>3,700</u>	<u>3,700</u>
Totals	<u>\$ 3,256</u>	<u>\$ 20,419</u>	<u>\$ (2,663)</u>	<u>\$ 21,012</u>	<u>\$ 7,142</u>

Note payable consists of the following:

Note payable to US Bank in the amount of \$19,975 due in 60 monthly installments with a maturity date in 2021, bearing interest at 11.0%, collateralized by the outdoor sign.

\$ 17,312

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT (continued)

The annual requirements to amortize the note payable at June 30, 2017 is as follows:

Year Ending June 30,	Principal	Interest
2018	3,442	1,724
2019	3,841	1,325
2020	4,286	880
2021	4,782	384
2022	961	12
Totals	<u>\$ 17,312</u>	<u>\$ 4,325</u>

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

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

NOTE 11 IN-KIND CONTRIBUTIONS

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

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

<u>Governmental Funds</u>	<u>Salaries</u>	<u>Operating Services</u>	<u>Operating Supplies</u>	<u>Rent</u>	<u>Total In-Kind</u>
Senior Centers	\$ 74,921	\$ 32,442	\$ 35,401	\$229,000	\$371,764
III C-1 Congregate Meals	-	-	-	97,400	97,400
	<u>\$ 74,921</u>	<u>\$ 32,442</u>	<u>\$ 35,401</u>	<u>\$326,400</u>	<u>\$469,164</u>

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 13 INCOME TAX STATUS

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

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

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

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 15 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 16 ECONOMIC DEPENDENCY

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

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

NOTE 17 RISK MANAGEMENT

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

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

NOTE 18 CHANGES IN FIDUCIARY FUNDS

Progressive Jackpot	
Balance June 30, 2016	\$ 36,100
Additions	177,000
Reductions	<u>(129,100)</u>
Balance June 30, 2017	<u>\$ 84,000</u>

NOTE 19 LEASE INFORMATION

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 LEASE INFORMATION (continued)

	Monthly Payments	Number of Months	Date Lease Originated
(2) Digital copiers	\$ 871	60	4/30/2013
(3) Digital copiers	207	60	1/25/2013
(1) Vehicle	624	36	11/20/2016
(1) Vehicle	497	36	11/20/2016
(1) Vehicle	497	36	11/20/2016

Future minimum payments by year and in the aggregate, under these operating leases consist of the following at June 30, 2017:

Year Ending June 30,	GE Capital Digital Copiers	Great Am. Digital Copiers	Ford Credit Vehicles	Totals
2018	1,242	7,839	19,426	28,507
2019	-	-	19,426	19,426
2020	-	-	6,475	6,475
Totals	<u>\$ 1,242</u>	<u>\$ 7,839</u>	<u>\$ 19,426</u>	<u>\$ 54,408</u>

Lease expense totaled \$38,015 for the year ended June 30, 2017, which includes other incidental lease payments.

NOTE 20 INTERFUND TRANSFERS

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

	Funds transferring in:					
	General Fund	Title III B	Title III C-1	Title III C-2	Title III D	Title III E
<u>Funds transferring out:</u>						
Governmental Funds:						
General Fund	\$ -	\$ 160,278	\$ 1,338	\$ 42,999	\$ 684	\$ 12,818
Special Revenue:						
NSIP	-	-	-	102,344	-	-
MIPPA	6,638	-	-	-	-	-
Energy Assistance	21,667	-	-	-	-	-
Proprietary Funds:						
Bingeaux Café	9,555	-	-	-	-	-
Bingo	286,833	-	-	-	-	-
Total	<u>\$ 324,693</u>	<u>\$ 160,278</u>	<u>\$ 1,338</u>	<u>\$ 145,343</u>	<u>\$ 684</u>	<u>\$ 12,818</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 INTERFUND TRANSFERS (continued)

	Funds transferring in:			
	SeniorRx	Ombudsman	Housing	Totals
<u>Funds transferring out:</u>				
Governmental Funds:				
General Fund	\$ 10,653	\$ 9,158	\$ 760	\$ 238,688
Special Revenue:				
NSIP	-	-	-	102,344
MIPPA	-	-	-	6,638
Energy Assistance	-	-	-	21,667
Proprietary Funds:				
Bingeaux Café	-	-	-	9,555
Bingo	-	-	-	286,833
Total	<u>\$ 10,653</u>	<u>\$ 9,158</u>	<u>\$ 760</u>	<u>\$ 665,725</u>

NOTE 21 RETIREMENT COMMITMENTS

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

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

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

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

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

Retirement expense totaled \$10,408 for the year ended June 30, 2017.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 DEFICIT FUND BALANCES

The General Fund and Housing Fund had deficit fund balances at June 30, 2017 in the amounts of (\$195,392) and (\$10,797), respectively. The Council has implemented a number of strategies to reduce the deficit, including cost cutting measures and pursuing additional revenues from local sources.

NOTE 23 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to director Jackie Green for the year ended June 30, 2017.

Purpose	2017
Salary	\$ 85,280
Benefits - retirement	<u>1,291</u>
Total	<u>\$ 86,571</u>

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ (209,811)	\$(209,811)	\$ (209,811)	\$ -
Resources (inflows):				
Intergovernmental	296,705	296,705	299,496	2,791
Local and miscellaneous	-	-	100,782	100,782
Transfers in	400,000	400,000	324,693	(75,307)
Amounts available for appropriation	<u>486,894</u>	<u>486,894</u>	<u>515,160</u>	<u>28,266</u>
Charges to appropriations (outflows):				
Personnel	141,725	141,725	111,363	30,362
Fringe	16,251	16,251	10,517	5,734
Travel	2,194	2,194	1,914	280
Operating services	41,969	41,969	102,245	(60,276)
Operating supplies	38,896	38,896	63,486	(24,590)
Other costs	55,310	55,310	98,268	(42,959)
Meals	7,941	7,941	7,438	503
Debt service-principle and interest	37,459	37,459	63,134	(25,676)
Capital outlay	-	-	13,499	(13,499)
Transfers out	145,150	145,150	238,688	(93,538)
Total charges to appropriations	<u>486,894</u>	<u>486,894</u>	<u>710,552</u>	<u>(223,659)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (195,392)</u>	<u>\$ (195,393)</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	437,673	437,673	316,650	(121,023)
Local and miscellaneous	27,000	27,000	26,610	(390)
Transfers in	55,669	55,669	160,278	104,609
Amounts available for appropriation	<u>520,342</u>	<u>520,342</u>	<u>503,538</u>	<u>(16,804)</u>
Charges to appropriations (outflows):				
Personnel	278,670	278,670	246,298	32,372
Fringe	30,270	30,270	21,178	9,092
Travel	998	998	27,801	(26,803)
Operating services	82,536	82,536	70,538	11,998
Operating supplies	34,690	34,690	30,946	3,744
Other Costs	-	-	13,653	(13,653)
Full service contracts	93,178	93,178	93,124	54
Total charges to appropriations	<u>520,342</u>	<u>520,342</u>	<u>503,538</u>	<u>16,804</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	346,518	346,518	332,773	(13,745)
Local and miscellaneous	265,763	265,763	192,095	(73,668)
Transfers in	-	-	145,343	145,343
Amounts available for appropriation	<u>612,281</u>	<u>612,281</u>	<u>670,211</u>	<u>57,930</u>
Charges to appropriations (outflows):				
Personnel	176,514	176,514	218,579	(42,065)
Fringe	19,014	19,014	20,122	(1,108)
Travel	10,428	10,428	128	10,300
Operating services	66,145	66,145	72,151	(6,006)
Operating supplies	27,953	27,953	43,883	(15,930)
Full service contracts	<u>312,227</u>	<u>312,227</u>	<u>315,348</u>	<u>(3,121)</u>
Total charges to appropriations	<u>612,281</u>	<u>612,281</u>	<u>670,211</u>	<u>(57,930)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
Schedule of Non-Major Special Revenue Funds
Year Ended June 30, 2017

	<u>Title III C-1</u>	<u>Title III D</u>	<u>Title III E</u>	<u>Ombudsman</u>	<u>N.S.I.P.</u>
REVENUES					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 163,660	\$ 7,852	\$ 63,605	\$ 76,214	\$ 102,344
Louisiana Department of Insurance	-	-	-	-	-
Public Support:					
Contributions - unrestricted	4,461	-	-	-	-
Utility company assistance programs	-	-	-	-	-
 Total Revenues	 <u>168,121</u>	 <u>7,852</u>	 <u>63,605</u>	 <u>76,214</u>	 <u>102,344</u>
EXPENDITURES					
Health, Welfare, & Social Services					
Current:					
Salaries	84,175	5,836	31,679	67,876	-
Fringe	8,032	484	3,000	5,795	-
Travel	170	1	-	5,705	-
Operating services	30,009	1,990	11,200	5,499	-
Operating supplies	10,380	225	3,278	377	-
Other costs	-	-	-	-	-
Full service contracts	36,693	-	27,266	-	-
Meals	-	-	-	120	-
Utility assistance	-	-	-	-	-
Total Expenditures	<u>169,459</u>	<u>8,536</u>	<u>76,423</u>	<u>85,372</u>	<u>-</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>(1,338)</u>	 <u>(684)</u>	 <u>(12,818)</u>	 <u>(9,158)</u>	 <u>102,344</u>
OTHER FINANCING SOURCES (USES)					
Operating transfers in	1,338	684	12,818	9,158	-
Operating transfers out	-	-	-	-	(102,344)
Total Other Financing Sources (Uses)	<u>1,338</u>	<u>684</u>	<u>12,818</u>	<u>9,158</u>	<u>(102,344)</u>
 Net Decrease in Fund Balances	 -	 -	 -	 -	 -
FUND BALANCES					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>SenioRx</u>	<u>Energy</u>	<u>Housing Fund</u>	<u>MIPPA</u>	<u>Total</u>
\$ 91,934	\$ -	\$ -	\$ 7,350	\$ 512,959
10,000	-	-	-	10,000
-	-	-	-	4,461
-	841	-	-	841
<u>101,934</u>	<u>841</u>	<u>-</u>	<u>7,350</u>	<u>528,261</u>
91,894	-	-	-	281,460
9,490	-	55	-	26,856
-	-	-	-	5,876
9,384	-	-	712	58,794
1,819	-	-	-	16,079
-	-	13,658	-	13,658
-	-	-	-	63,959
-	-	-	-	120
-	370	-	-	370
<u>112,587</u>	<u>370</u>	<u>13,713</u>	<u>712</u>	<u>467,172</u>
<u>(10,653)</u>	<u>471</u>	<u>(13,713)</u>	<u>6,638</u>	<u>61,089</u>
10,653	-	760	-	35,411
-	(21,667)	-	(6,638)	(130,649)
<u>10,653</u>	<u>(21,667)</u>	<u>760</u>	<u>(6,638)</u>	<u>(95,238)</u>
-	(21,196)	(12,953)	-	(34,149)
-	21,196	2,156	-	23,352
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,797)</u>	<u>\$ -</u>	<u>\$ (10,797)</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Comparative Schedule of General
 Fixed Assets and Changes in General Fixed assets
 Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
General fixed assets, at cost:				
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Land	188,100	-	-	188,100
Vehicles	158,109	-	-	158,109
Furniture and equipment	155,103	13,499	-	168,602
Totals	\$ 1,069,792	\$ 13,499	\$ -	\$ 1,083,291
Investment in general fixed assets:				
Property acquired with funds from:				
Local Funds	\$ 913,607	\$ 13,499	\$ -	\$ 927,106
DOTD	\$ 134,392	-	-	\$ 134,392
SenioRx	18,443	-	-	18,443
Title III-B Ombudsman	3,350	-	-	3,350
Totals	\$ 1,069,792	\$ 13,499	\$ -	\$ 1,083,291

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY
THE UNIFORM GUIDANCE**

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

Federal Grantor / Pass - Through Grantor / Program or Cluster Title	Federal CFDA Number	Grant Year Ended
<u>U.S. Department of Health and Human Services-</u>		
<u>Administration on Aging</u>		
Passed through the Governor's Office of Elderly Affairs:		
Aging Cluster:		
Special Programs for the Aging :		
Title III, Part B-		
Grant for Supportive Services and Senior Centers	93.044	6/30/2017
Ombudsman	93.044	6/30/2017
Subtotal CFDA # 93.044		
Title III, Part C-Area Agency Administration	93.045	6/30/2017
Title III, Part C-1- Nutrition Services-Congregate Meals	93.045	6/30/2017
Title III, Part C-2- Nutrition Services-Home Delivered Meals	93.045	6/30/2017
Subtotal CFDA # 93.045		
Nutrition Services Incentive Program	93.053	6/30/2017
Totals for Aging Cluster		
Title III D- Wellness	93.043	6/30/2017
Title III E - National Family Caregiver	93.052	6/30/2017
Medicare Improvements for Patients and Providers	93.518	6/30/2017
Totals for U.S. Department of Health and Human Services- Administration on Aging		
<u>U. S. Department of Transportation</u>		
Passed through the Louisiana Department of Transportation & Development:		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	6/30/2017
Total Federal Grants		

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Calcasieu Parish Voluntary Council on Aging, Inc. under programs of the federal government for the year June 30, 2017. The information in this schedule is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the Council, it is not intended to and does not represent the financial position, changes in net assets or cash flows of the Council. All federal awards received directly from federal agencies are included in the schedule, as well as federal awards passed-through other government agencies.

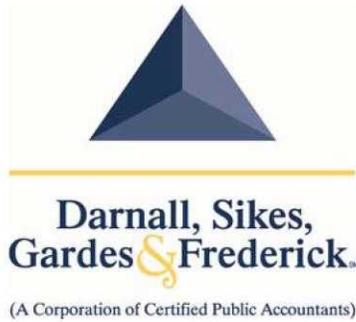
NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting as described in Note 1 of the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Program or Award Amount	Revenue Recognized	Expenditures
\$ 137,037	\$ 137,037	\$ 137,037
61,802	61,802	61,802
<u>198,839</u>	<u>198,839</u>	<u>198,839</u>
48,718	48,718	48,718
149,981	149,981	149,981
97,138	97,138	97,138
<u>295,837</u>	<u>295,837</u>	<u>295,837</u>
102,344	102,344	102,344
597,020	597,020	597,020
7,852	7,852	7,852
47,704	47,704	47,704
<u>7,350</u>	<u>7,350</u>	<u>7,350</u>
659,926	659,926	659,926
170,000	158,552	158,552
<u>\$ 829,926</u>	<u>\$ 818,478</u>	<u>\$ 818,478</u>

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**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***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc., as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Calcasieu Parish Voluntary Council on the Aging, Inc.'s basic financial statements and have issued our report thereon dated December 20, 2017.

Internal Control over Financial Reporting

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

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. It is shown as item 2017-002.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies that we considered to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2017-001.

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

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

Purpose of this Report

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

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

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 20, 2017

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

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

Report on Compliance for Each Major Federal Program

We have audited the Calcasieu Parish Voluntary Council on the 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 Calcasieu Parish Voluntary Council on the Aging, Inc.'s major federal programs for the year ended June 30, 2017. The Calcasieu Parish Voluntary Council on the Aging, Inc.'s major federal programs is 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, 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 the Calcasieu Parish Voluntary Council on the 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 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 Calcasieu Parish Voluntary Council on the 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 on the Calcasieu Parish Voluntary Council on the Aging, Inc.'s compliance.

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Opinion on Each Major Federal Program

In our opinion, the Calcasieu Parish Voluntary Council on the 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 Calcasieu Parish Voluntary Council on the 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 the Calcasieu Parish Voluntary Council on the 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 in order 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 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 the Calcasieu Parish Voluntary Council on the 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 20, 2017

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements as of and for the year ended June 30, 2017.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

One material weakness in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 2017-002 in Part II below.

Material Noncompliance - Financial Reporting

There was one instance of noncompliance noted during the audit of the financial statements and is shown as item 2017-001 in Part II below.

FEDERAL AWARDS

Major Program Identification

The Calcasieu Parish Voluntary Council on the Aging, Inc., for the year ended June 30, 2017, had one major program: Aging Cluster Programs, which received funds from the Department of Health and Human Services.

Low-Risk Auditee

The Calcasieu Parish Voluntary Council on the Aging, Inc. is considered a low-risk auditee for the year ended June 30, 2017.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended June 30, 2017.

Auditor's Report - Major Program

An unmodified opinion has been issued on the Calcasieu Parish Voluntary Council on the Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2017.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2017

Reportable Conditions - Major Program

There were no reportable conditions noted during the audit of the major federal programs.

Compliance Finding Related to Major Program

There were no instances of noncompliance noted during the audit of the financial statements.

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

2017-001 Budget Variances

Condition:

The Council did not comply with the budget policy.

Criteria:

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

Cause:

The Council failed to adequately amend the budget at the end of fiscal year June 30, 2017.

Effect:

Inaccurate budgeting counters fiscal responsibility.

Recommendation:

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

2017-002 Controls over disbursements

Condition:

The Council disbursed funds without proper authorization and supporting invoice in hand.

Criteria:

Disbursements should only be made from an original invoice with proper review and approval.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2017

2017-002 **Controls over disbursements (continued)**

Cause:

Disbursement of funds occurred without the tangible support of an approved and authorized invoice.

Effect:

Disbursement of funds without an approved invoice constitutes noncompliance with policy relating to the function of proper internal control

Recommendation:

Management should avoid releasing funds for payment on any item or service that has not been properly supported by a reviewed and approved invoice.

Part III Findings and Questioned Costs Relating to the Federal Programs

No findings for June 30, 2017.

Part IV Management Letter

A management letter was issued for fiscal year ended June 30, 2017.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

2016-001 Budget Variances

Status: This finding is unresolved. See current year finding 2017-001.

2016-002 Reporting

Status: This finding is resolved.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2017

Response to Findings:

2017-001 Budget Variances

The Council amended the FY2017 budget to reflect actual revenues and costs. This revision was approved by the Council's Board of Directors and presented at the April 25, 2017 board meeting. However, the Governor's Office of Elderly Affairs did not approve the budget revision due to the impression that expenditures were growing instead of remaining level or decreasing. Management was able to prove that expenditures on the program side were decreasing and that changes made to the revision were a clear reflection of this. GOEA was concerned that the incorporation of enterprise funds in the budget as a whole was giving a distorted end result of variances in revenues and expenditures as it relates to programs. GOEA has also requested that going forward, the FY2018 does not include enterprise fund operations in its entirety. The Council did not agree with GOEA's decision to not approve the FY2017 amended budget.

2017-002 Controls over disbursements

A monthly checks and balances system will be implemented to assure that the accounting department is complying with policies and procedures for purchase ordering which includes:

- Purchase order requests before purchases are made
- Supporting documentation
- Proper approval

Before checks are written, each obligation will be checked for proper approval, signatures and invoice.

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**Darnall, Sikes,
Gardes & Frederick**

(A Corporation of Certified Public Accountants)

ISSUED MANAGEMENT LETTER

December 20, 2017

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

In planning and performing our audit of the financial statements of Calcasieu Council on Aging, Inc. as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Calcasieu Council on Aging, Inc.'s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 on the effectiveness of the Council's internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This memorandum summarized our comments and suggestions regarding those matters. This letter does not affect our report dated December 20, 2017 on the financial statements of Calcasieu Council on Aging, Inc.

Jackpot Cash Transfers

The Council has a fiduciary fund to account for the assets of the Progressive Jackpot. The Council is functioning as an agent for the Louisiana Gaming Commission. It was noted during field work that the Council regularly transfers money from its Progressive Jackpot checking account into the general fund to meet payroll and other monthly cash flow obligations. Although loans to the general fund were paid back within thirty days, the funds in the Progressive Jackpot should not be used to support the Council.

Late Fees

It was noted during our audit that the Council is failing to make timely payments for recurring expenses and is incurring late fees in the process. The payment of late fees is not the best use of public funds and the Council should strive to make appropriate payments to avoid penalties and interest.

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We will review the status of these comments during our next audit engagement. We will be pleased to discuss them in further detail at your convenience and to perform any additional study of these matters or to assist in implementing the recommendations.

This communication is intended solely for the information and use of management, the board, and others within the Council, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Dannall, Sikes, Gardes & Frederick

(A Corporation of Certified Public Accountants)

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INDEPENDENT ACCOUNTANTS' REPORT
 ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by Calcasieu Council on Aging, Inc. (a nonprofit organization), and the 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 of July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain 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 were obtained and did address the functions noted above.

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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 were obtained. It was noted that the policy did not address how vendors are added to the vendor list or controls to ensure compliance with the public bid law.

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

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

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

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

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

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

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

Written policies and procedures were obtained and did not address any of the functions noted above.

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

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

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

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

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

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

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

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

Board (or Finance Committee, if applicable)

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

Obtained and reviewed minutes of the managing board/committee for the fiscal period noting that the full board did not meet monthly.

- 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):

Minutes did include monthly budget-to-actual comparisons for the major funds identified as such.

- 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:

Deficit spending was noted as a discussion matter by the board during the fiscal period and a plan was created to eliminate the deficit.

- 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.):

The minutes reference non-budgetary financial information for at least one meeting during the fiscal period.

Bank Reconciliations

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

Obtained a listing of client bank accounts from management and management provided representation that the listing was complete.

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 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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 have been prepared for all months.

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

Evidence of management's review of the bank reconciliations for each month were not noted.

- 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:

None of the reconciliations were noted as having outstanding items for more than six months of fiscal year end.

Collections

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

Obtained listing of cash collection locations and management provided representation that the listing was complete.

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). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* 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:

Written documentation was obtained and it was noted that the functions addressed above were implemented in accordance with the policy.

- 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:

Written documentation was obtained and it was noted that the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

- 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:

Collection documentation was obtained for the selected cash collections and it was noted that deposits were made within one day of collection.

- 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

Daily cash collections selected were completely supported by documentation.

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:

Written documentation was obtained and it was noted that the entity does have a process specifically defined to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions by a person who is not responsible for collections.

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:

Obtained listing of disbursements and management provided representation that the listing was complete.

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:

Examined supporting documentation for each of the disbursements selected and noted that purchases were initiated using a purchase order system. It was noted that supporting documentation for 3 of the 25 transactions could not be located. In addition to these 3 transactions, it was also noted that 3 of the 25 transactions did not have purchase orders included with the corresponding supporting documentation.

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

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction for 12 transactions. It was noted that 7 of the 25 transactions had proper purchase orders, however the purchase orders did not include evidence of proper approval. It was also noted that 6 of the 25 transactions did not have proper supporting documentation.

- 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:

Examined supporting documentation for each of the disbursements selected and noted that six transactions did not have an appropriate purchase orders and thirteen transactions did not have appropriate approval.

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 person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system. As a mitigating control, one board member must sign the checks.

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:

Written policies and procedures address the separation of signatory authority from initiating or recording of a purchase.

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 are maintained in an unlocked location during business hours, with restricted access to those persons without signatory authority. The unused checks are locked when the individual without signatory authority leaves the premises.

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 utilize signature stamps or machines.

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:

Obtained listing of active credit cards and management provided representation 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. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner:

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. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.):

Four of the ten monthly statements selected did not include evidence of proper review or approval. It was noted that the entity could not locate all of the monthly statements for two out of the ten credit cards selected.

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

Finance charges and late fees were noted on six of the selected statements.

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):

Original itemized receipts were noted for only two of the ten monthly statements selected.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating:

Documentation of the business/public purpose was not noted for eight transactions.

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

No exceptions noted

- 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:

All transactions tested were noted as following applicable policies and laws.

- 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 for the transactions tested.

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:

Obtained listing of travel and expense reimbursements by person and management provided representation that the listing was complete.

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:

Written policies and procedures were obtained and there were no instances of non-compliance.

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 for the transactions tested.

- 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.]:

Expenses selected were reimbursed in accordance with established per diem amount.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating):

Documentation of the business purpose was noted for each expense reimbursement selected.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policy was noted for each expense reimbursement selected.

- 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 for the transactions tested.

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

Each expense reimbursement selected was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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:

Obtained a listing of all contracts in effect during the fiscal year and management provided that the listing was complete.

- 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:

The contracts support the service arrangements and the amounts to be paid for all contracts 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):

All of the selected contracts were subject to the Louisiana Public Bid Law or Procurement Code and the contracts did comply with all legal requirements.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice:

Not applicable.

- 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:

Not applicable.

- 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:

Supporting invoices and related payments complied with the terms and conditions for two of the selected contracts. It was noted that supporting invoices and related payments did not comply with the terms and conditions for three of the selected contracts; amounts paid were not made on a timely basis and also included late fees.

- 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):

Board minutes did include board approval for all of the selected contracts.

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

Obtained listing of employees with their related salaries and management's representation that the listing was complete.

- 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:

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure. It was noted that pay rate documents for three employees were approved, however, the documents were signed during the performance of Agreed Upon Procedures testing.

- 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:

Changes to pay rates during the fiscal period for the selected employees were approved in writing. It was noted that pay rate approval forms for three employees were signed during the performance of Agreed Upon Procedures testing.

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.):

Documentation of daily attendance and leave was not noted for one of the selected employees. It was noted that one employee retired, and the proper paperwork was not prepared.

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

Documentation of supervisor approval for attendance and leave was noted for each selected employee. It was also noted that documentation for two employees were signed during the performance of the Agreed Upon Procedures testing.

- 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:

Documentation of written leave records were maintained for employees selected.

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:

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing was complete. It was noted that the entity's policy does not address termination payments.

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:

Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period noting that related payments and 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:

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

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:

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

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:

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

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:

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

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:

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

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

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:

Required notices were posted on the entity's premises, however, the notice was not posted on the entity's website.

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

No exceptions noted.

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.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

December 20, 2017



Calcasieu Parish Voluntary Council on the Aging, Inc.
Jacqueline "Jackie" Green, Executive Director
3950 Highway 14
Lake Charles, Louisiana 70607
(337) 474-2583 • (800) 223-5872 • Fax (337) 474-6563



Management responses to the Independent Account's Report on Applying Agreed-Upon Procedures

Written Policies and Procedures

The COA will immediately begin to review and update written policies and procedures to comply with the new statewide Agreed Upon Procedures for all governmental entities implemented by the Louisiana Legislative Auditor. This is the agencies first annual audit where AUP standards were tested and the agency management fully intends to comply.

- 1.) b.) **Purchasing** – Policies and Procedures will be written to address adding new vendors. Administration will perform a thorough review of the Public Bid Law and comply going forward.
- 1.) f.) **Contracting** – Policies and Procedures will be updated to include procedures on the following:
- Types of services requiring written contracts
 - Standard terms and conditions
 - Legal review
 - Approval process
 - Monitoring process

Board

- 2.) a.) The Board of Directors did meet in accordance with the enabling legislation set forth by the governing authority, The Governor's Office of Elderly Affairs. The GOEA Policy Manual states the following:
§1155. Council on Aging Board of Directors

D. Meetings of the Board of Directors Regular Meetings.

Regular meetings of the board shall be held at least quarterly according to a schedule determined by the board.

The council's policy (By-Laws) does state the requirement of monthly meetings, however; a quorum is not always present. 9 out of 12 meetings were held during FY 2017.

Bank Reconciliations – Policies and Procedures will be written to include the following functions:

- 4.) b.) Chief Financial Officer will perform bank reconciliations monthly and this will then be verified by Executive Director.

Disbursements – General

9.) a.), b.), c.) A monthly checks and balances system will be implemented to assure that the accounting department is complying with policies and procedures for purchase ordering to include:

- Purchase Order Request before purchases are made.
- Supporting Documentation
- Proper Approval

Before checks for payment are written, each obligation will be checked for approval, proper signatures on the requisition and invoice.

- 10.) Going forward, requests will have to be submitted and approved by the Executive Director for new vendors to be added to the entity's purchasing disbursement system.

Credit Cards – Policies and Procedures will be written to address the following:

15.) a.) The CFO will be responsible for review and reconciliation of all credit card statements monthly. No credit card purchases will be approved without prior approval of the Executive Director through the Purchase Order System.

15.) b.) The agency will make every effort to eliminate finance charges assessed and Late fees on statements by paying invoices in a timely manner.

16.) a.) part 1. Statements will be given directly to the CFO. He will then be required to match the receipts to the statements for reconciliation before payment is generated. In regard to fuel utilized by the transportation department, DOTD requires that original fuel receipts be kept in the Transportation Dept. Copies will be placed in the Accounting Dept.

16.) a.) part 2.

Contracts

21.) d.) The agency will make every effort to make contract payments according to the terms and conditions stated in the contract.

Payroll and Personnel

22.) a.) 22.) b.) 23.) a.) 23.) b.)

Going forward the agency will employ BenCo., payroll service provider (BenCo) and have them perform quarterly inspections of personnel files to insure compliance. The agency is also converting to a new online payroll service, Employer on the Go (Timekeeping) to better track and manage payroll and employee status.

24.) Policies and Procedures will be updated to address Termination Payments

Other

32.) R.S. 24:523.1., the notice required to address reporting of misappropriation, fraud, waste, or abuse of public funds, will immediately be added to the agencies website.