

CALDWELL COUNCIL ON AGING, INC.

Columbia, Louisiana

FINANCIAL STATEMENTS

June 30, 2019

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

CALDWELL COUNCIL ON AGING, INC.

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CALDWELL COUNCIL ON AGING, INC.

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

Independent Auditor's Report

Board of Directors
Caldwell Council on Aging, Inc.
Columbia, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell Council on Aging, Inc., as of and for the year ended June 30, 2019, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell Council on Aging, Inc., as of June 30, 2019, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the budgetary information on pages 41 through 42 be presented to supplement the basic financial statements. Such information 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 43 through 45 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated September 5, 2019 on my consideration of Caldwell Council on Aging, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of my 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 Caldwell Council on Aging, Inc.'s internal control over financial reporting and compliance.

Marsha D. Mulhean

Certified Public Accountant
September 5, 2019

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

The following discussion and analysis of Caldwell Council on Aging, Inc.'s (the Council) financial performance provides an overview and analysis of the Council's performance and activities for the year ended June 30, 2019. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Council showed a decrease in overall net position of \$5,601 this year.
- Net Capital Assets of the Council increased by \$87,342 this year.
- The Council's revenue, on a modified accrual basis, increased by \$55,538 this year.
- Expenditures, on a modified accrual basis, decreased by \$ 122,397 this year.
- The fund balance for the Council's General Fund was \$147,220 at year-end, which is a decrease of 28,625 from the prior year.
- No deficit fund balances existed at year-end.

HOW TO USE THIS ANNUAL REPORT

The Council's annual financial report consists of five main parts:

- (1) Management's discussion and analysis (this section)
- (2) The basic financial statements (government-wide and fund)
- (3) Supplementary information required by GASB 34
- (4) Supplementary information required by GOEA
- (5) Auditor's reports

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities. These financial statements provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. In contrast, the fund financial statements, which consist of the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances, tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The auditor has provided assurance in her independent auditor's report, located immediately before this Management's Discussion and Analysis (MD&A), that the Basic Financial Statements are fairly stated. The auditor has also provided assurance about Supplementary Financial Information required by GOEA that follows later in this reporting package. A user of this document should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Council, along with notes to the financial statements.

Government-Wide Financial Statements

Management's analysis of the Council as a whole begins on page 15. When reading these financial statements, an important point to consider is whether the Council's finances as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities, referred to collectively as the government-wide financial statements, report information about the Council as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements report the Council's net position and changes in net position. The Council has restricted net position of \$-0- which must be used for specific purposes, whereas \$138,815 of net position is unrestricted, meaning that they can be used for any program at management's discretion. The Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

The Statement of Activities provides information that shows how the Council's net position changed as a result of the year's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Council's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare and Social Services function is comprised of seven primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen activities, Medicare outreach and enrollment. Subprogram activities are also presented, in some cases, to help the reader analyze the Council's operations in more detail. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Council charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Council as a whole entity. In the fund financial statements, there are column presentations for a General Fund, one Special Revenue Fund that has been determined to be a "Major Fund," and a column for the total of all remaining Special Revenue Funds, which are deemed to be "Nonmajor Funds." Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but is believed to be important for the Council's financial statement users. This year the IIIB Supportive Services Fund is presented as a major fund. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service of capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

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

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the Balance Sheet for Governmental Funds. In addition, the difference between the change in fund balance for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances for the Governmental Funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

Notes to the Financial Statements

The notes provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the fund financial statements and should be read before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB 34

The Governmental Accounting Standards Board (GASB) Statement 34 requires budgetary comparison schedules for the General Fund and for each major Special Revenue Fund that has a legally adopted annual budget. The schedules compare the original and final 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.

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

OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present as schedules this information. This information will be used by GOEA to verify the accuracy of the information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants that it has with the Council.

**AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

The following table reflects condensed information on the Council's assets, liabilities, and net position for fiscal years 2019 and 2018.

CALDWELL COUNCIL ON AGING, INC

Management's Discussion and Analysis

June 30, 2019
(Continued)

	2019	2018	Increase (Decrease)
Current and Other Assets:			
Current Assets	\$ 171,361	\$ 199,116	\$ (27,755)
Other Assets	-	-	-
Capital Assets, net of depreciation	<u>299,368</u>	<u>212,026</u>	<u>87,342</u>
 Total Assets	 <u>470,729</u>	 <u>411,142</u>	 <u>59,587</u>
 Current and Other Liabilities	 <u>95,192</u>	 <u>30,004</u>	 <u>65,188</u>
 Total Liabilities	 <u>95,192</u>	 <u>30,004</u>	 <u>65,188</u>
 Net Position:			
Invested in Capital Assets	236,722	212,026	24,696
Restricted	-	-	-
Unrestricted	<u>138,815</u>	<u>169,112</u>	<u>(30,297)</u>
Total Net Position	<u>\$ 375,537</u>	<u>\$ 381,138</u>	<u>\$ (5,601)</u>

As of June 30, 2019, the Council "as a whole" had assets greater than its liabilities of \$375,537, whereas at June 30, 2018 net position was \$381,138. This is a decrease of \$5,601.

About 37% of the Council's total net position is unrestricted as of June 30, 2019 (47% for 2018). Unrestricted net position is important because it provides the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Council has no restricted net position as of June 30, 2019 or June 30, 2018.

The net position that has been invested in capital assets is presented net of any related outstanding debt incurred to acquire them. For 2019, debt of \$62,646 (\$ -0- for 2018) has to be subtracted from the capital asset amount.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

The table presented below illustrates a condensed presentation of the revenues and expenses:

	<u>2019</u>	<u>% of Total</u>	<u>2018</u>	<u>% of Total</u>
<u>Revenues</u>				
Program Revenues:				
Operating Grants & Contributions	\$ 761,406	95.63%	\$ 709,586	95.81%
Capital Grants & Contributions	-	0.00%	-	0.00%
General Revenues				
Unrestricted Grants & Contributions	13,033	1.64%	12,411	1.68%
Other General Revenues	21,747	2.73%	18,651	2.52%
Total Revenues	<u>796,186</u>	<u>100.00%</u>	<u>740,648</u>	<u>100.00%</u>
<u>Direct Program Expenses for the Health Welfare and Social Services Function:</u>				
Supportive Services:				
Transportation for the Elderly	124,858	15.57%	169,133	21.57%
Case Management	421,731	52.60%	396,293	50.53%
Other Supportive Services	46,348	5.78%	19,453	2.48%
Nutrition Services:				
Congregate Meals	31,138	3.88%	34,262	4.37%
Home-delivered Meals	47,148	5.88%	57,108	7.28%
Other Social Service Programs and Activities	14,273	1.78%	14,810	1.89%
Direct Administrative Expenses	<u>116,291</u>	<u>14.50%</u>	<u>93,181</u>	<u>11.88%</u>
Total Expenses	<u>801,787</u>	<u>100.00%</u>	<u>784,240</u>	<u>100.00%</u>
Increase (Decrease) in Net Position	<u>\$ (5,601)</u>		<u>\$ (43,592)</u>	

As illustrated by the table above, the Council gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentage of revenues and this revenue is available to management to use at its discretion.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

The expenses in the table have been presented by primary programs, with some additional details about the subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

The Council had a \$5,601 decrease in its net position for YE 2019, whereas the decrease in net position for YE 2018 was \$43,592. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for YE 2019.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

When reviewing the government-wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of Caldwell Parish and right now, these services are in the greatest demand. However, there is a growing demand for other supportive services. As these demands increase, management will adjust its annual budget to reallocate available resources to meet the demands.

Another area of interest on the Statement of Activities relates to the total governmental activities column wherein the Council shows that most of the governmental activities have more expenses than revenues. None of the programs are expected to be truly self-supporting; and management has prepared budgets accordingly. However, on occasion, a program might "break even" or even make a slight "profit." Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the unrestricted grants and contributions, the Council would have a difficult time providing services at current levels. Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administrative costs from year to year as well as calculating the percentage administration bears in relation to total expenses. For 2019, total administration expenses were \$116,291 or 14% of total expenses. For 2018, total administrative expenses were \$93,181 or 12% of total expenses. Administration expenses include indirect type costs, meaning these are costs that are not specifically identified with a particular program, but which benefit all programs.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

**AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND
FINANCIAL STATEMENTS**

Fund Balances

The Council presents a combined governmental fund balance of \$147,220 (as shown on the Fund Financial Statement's Balance Sheet) at the end of this year, which is a decrease of \$28,625 from 2018. When you look at the funds individually, you will see that the Council's General Fund decreased by \$28,625 this year, while the Special Revenue Funds had a no increase or decrease in fund balance.

Also note that this year the Council has implemented the provisions of Governmental Accounting Standards Board Statement 34, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement will cause the components of the Fund Balance to be presented differently when compared to prior years.

Revenues

The combined fund revenues increased by \$55,378 this year versus last year, as shown in the table below.

	<u>2019</u>	<u>2018</u>	<u>Amount</u>	<u>Percent</u>
Intergovernmental	\$ 752,913	\$ 702,312	\$ 50,601	7.20%
Public Support	21,526	19,685	1,841	9.35%
Other	21,747	18,651	3,096	16.60%
Total Revenues	<u>\$ 796,186</u>	<u>\$ 740,648</u>	<u>\$ 55,538</u>	<u>7.50%</u>

Most of the Council's activities were funded by federal, state, and local grants, which comprise the Council's intergovernmental revenues. The total of these types of grants was \$752,913 (2019) and \$702,312 (2018) and represent about 95% and 95% of the total revenues of the Council in 2019 and 2018, respectively. Most of these grants are restricted, which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year; however, some grant amounts may vary based upon the level of service provided by the Council under the terms of the particular grant award.

The Council also received donations from its clients and the general public. These revenues helped to lessen the financial burden on the Council and allow it to maintain and expand services. Public support revenues for 2019 were \$21,526 (\$19,685 for 2018).

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

Expenditures

Total expenditures increased by \$122,397 this year, as shown in the table that follows.

	<u>2019</u>	<u>2018</u>	Increase/(Decrease)	
			<u>Amount</u>	<u>Percent</u>
Personnel	\$ 425,350	\$ 403,786	\$ 21,564	5.34%
Fringe	45,858	46,155	(297)	-0.64%
Travel	28,328	24,949	3,379	13.54%
Operating Services	159,010	147,612	11,398	7.72%
Operating Supplies	35,121	36,201	(1,080)	-2.98%
Other Costs	32,015	40,381	(8,366)	-20.72%
Meals	58,866	60,558	(1,692)	-2.79%
Capital Outlay	110,263	12,772	97,491	100.00%
Total	\$ 894,811	\$ 772,414	\$ 122,397	15.85%

AN ANALYSIS OF THE GENERAL FUND BUDGET

Over the course of the past fiscal year, the budget was amended one time. The amendment effectively approves any expenditures that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from Capital Area Agency and GOEA.

A schedule of the original and amended budgets for the General Fund can be found in the Supplementary Financial Information Required by GASB Statement 34 section of this report.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets, Net of Depreciation

	<u>2019</u>	<u>2018</u>	<u>Increase/ Decrease</u>
Buildings	\$ 38,817	\$ 41,117	\$ (2,300)
Building Improvements	115,068	113,374	1,694
Land	140,463	35,000	105,463
Furniture & Equipment	5,020	22,535	(17,515)
	<u>\$ 299,368</u>	<u>\$ 212,026</u>	<u>\$ 87,342</u>

The Council had no long-term debt at June 30, 2019.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of service provided by the Council; therefore, revenues may vary from year to year. All of the Council's grants and contracts from the usual federal and state agencies have been awarded for YE 2020; there were no significant changes to the funding levels or terms of the grants or contracts. Accordingly, the initial budget has been set to provide the same programs and similar levels of service next year. OEA has approved the Council's budget for next year. There are no plans to add or discontinue any significant programs for next year.

CALDWELL COUNCIL ON AGING, INC.

Management's Discussion and Analysis

June 30, 2019

(Continued)

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mrs. Dottie Etheridge, Executive Director, at the Council's office located at 307 Main Street, Columbia, Louisiana, or by phone at (318) 649-2584.

CALDWELL COUNCIL ON AGING, INC.

Government Wide Statement of Net Position

June 30, 2019

	<u>Governmental Activities</u>
Assets	
Cash	\$ 103,852
Grants and contracts receivable	67,509
Capital assets, net of accumulated depreciation	<u>299,368</u>
Total assets	<u>470,729</u>
Deferred outflows of resources	<u>-</u>
Liabilities	
Accounts payable	23,313
Accrued compensated absences	8,405
Due to grantor	828
Notes payable:	
Current portion	8,609
Non-current portion	<u>54,037</u>
Total liabilities	<u>95,192</u>
Deferred inflows of resources	<u>-</u>
Net position	
Invested in Capital Assets, net of debt	236,722
Unrestricted	<u>138,815</u>
Total net position	<u><u>\$ 375,537</u></u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

For the Year ended June 30, 2019

Functions/Programs	Direct Expenses	Indirect Expenses	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenues and Increases (Decreases) in Net Position
			Charges for Services	Operating Grants and Contributions			Total Governmental Activities
Governmental Activities							
Health, Welfare & Social Services:							
Supporting Services:							
Homemaker	33,327	10,586	-	38,779	-	\$	(5,134)
Information and Assistance	8,196	2,603	-	9,536	-		(1,263)
Outreach	1,057	338	-	1,232	-		(163)
Legal Assistance	1,861	-	-	1,861	-		-
Transportation	124,858	27,713	-	134,852	-		(17,719)
Other Services	1,907	608	-	2,221	-		(294)
Case Management	421,731	40,895	-	458,131	-		(4,495)
Nutrition Services:							
Congregate Meals	31,138	5,449	-	33,351	-		(3,236)
Home Delivered Meals	47,148	12,548	-	53,152	-		(6,544)
Utility Assistance	-	-	-	-	-		-
Disease Prevention and Health Promotion	3,185	947	-	3,667	-		(465)
National Family Caregiver Support	11,088	1,068	-	11,088	-		(1,068)
Administration	116,291	(102,755)	-	13,536	-		-
Total Governmental activities	<u>\$ 801,787</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 761,406</u>	<u>\$ -</u>	\$	<u>(40,381)</u>
General Revenues:							
Grants and contributions not restricted to specific programs							13,033
Miscellaneous							21,747
Total general revenues and special items							<u>34,780</u>
Increase (Decrease) in net position							(5,601)
Net position- beginning of year							381,138
Net position - end of the year						\$	<u>375,537</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNCIL ON AGING, INC.
 Balance Sheet
 Governmental Funds
 June 30, 2019

	8	IIIB	Non-Major Funds	Total
Assets				
Cash	\$ 103,852	\$ -	\$ -	\$ 103,852
Grants and contracts receivable	67,509	-	-	67,509
Due from other funds	-	-	-	-
	\$ 171,361	\$ -	\$ -	\$ 171,361
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 23,313	\$ -	\$ -	\$ 23,313
Due to funding agency	828	-	-	828
Due to other funds	-	-	-	-
	24,141	-	-	24,141
Fund Balances:				
Unassigned	147,220	-	-	147,220
	147,220	-	-	147,220
Total Liabilities and Fund Balances	\$ 171,361	\$ -	\$ -	\$ 171,361

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

Notes payable are not paid out of current financial resources and are not reported in the funds	(62,646)
Compensated absences are not paid out of current financial resources and are not reported in the funds.	(8,405)
Capital assets are not financial resources and are not reported in the funds.	299,368
	\$ 375,537

The accompanying notes are an integral part of this statement.

CALDWELL COUNCIL ON AGING, INC.
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Supportive Services	Non-Major Funds	Total
<u>REVENUES</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 86,949	\$ 36,767	\$ 97,290	\$ 221,006
Louisiana Department of :				
Department of Transportation and Development	73,776	-	-	73,776
Health and Hospitals	458,131	-	-	458,131
Public Support				
Unrestricted	13,033	-	-	13,033
Restricted-Utility Programs		-	-	-
Client Contributions	1,377	3,148	3,968	8,493
Miscellaneous	21,747	-	-	21,747
Total Revenues	<u>655,013</u>	<u>39,915</u>	<u>101,258</u>	<u>796,186</u>
<u>EXPENDITURES</u>				
Health, Welfare & Social Services				
Current				
Salaries	342,283	64,320	18,747	425,350
Fringe	36,725	6,988	2,145	45,858
Travel	27,811	410	107	28,328
Operating services	130,832	22,750	5,428	159,010
Operating supplies	16,332	16,735	2,054	35,121
Other costs	12,954	3,781	15,280	32,015
Meals	-	-	58,866	58,866
Utility assistance	-	-	-	-
Capital outlay	110,263	-	-	110,263
Total expenditures	<u>677,200</u>	<u>114,984</u>	<u>102,627</u>	<u>894,811</u>
Excess (deficiency) of revenues over expenditures	(22,187)	(75,069)	(1,369)	(98,625)
<u>OTHER SOURCES (USES)</u>				
Proceeds from borrowing	70,000	-	-	70,000
Operating transfers in		75,069	14,429	89,498
Operating transfers out	(76,438)	-	(13,060)	(89,498)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(28,625)	-	-	(28,625)
<u>FUND BALANCES</u>				
Beginning of year	175,845	-	-	175,845
End of year	<u>147,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,220</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental
Funds to the Statement of Activities

Year Ended June 30, 2018

Net Increase (Decrease) in fund balances total governmental funds.	\$ (28,625)
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 capital outlay (\$110,263) exceeds depreciation (\$22,921) in the current period.	87,342
Proceeds from debt are recorded as revenue in the funds, but are recorded in the statement of net position as liabilities	(70,000)
Long term liabilities applicable to the Council's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities	
Repayment of long-term debt	7,354
Change in compensated absences	<u>(1,672)</u>
Increase (Decrease) in net position of governmental activities.	<u>\$ (5,601)</u>

The accompanying notes are an integral part of this statement.

CALDWELL COUNCIL ON AGING, INC.

Notes to the Financial Statements

June 30, 2019

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Caldwell Council on Aging (the Council) conform 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 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 certain significant accounting policies used by the Council:

a. Purpose of the Council on Aging

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

The primary services provided by the Council to the elderly residents of Caldwell Parish include congregate and home-delivered meals, nutritional education, information and assistance, outreach, utility assistance, homemaker services, telephoning, personal care, wellness, medication management, family caregiver support, medical alert rentals, and transportation.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. In the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

Caldwell Parish Council on Aging (the Council) is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter of the Louisiana Revised Statutes on June 25, 1969.

A board of directors, consisting of 17 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

- Ten members shall be appointed by the Caldwell Parish Government to represent elderly population in their respective districts.
- Two members shall be appointed by agencies that serve the elderly (one from the Social Security Administration and one from the Department of Social Services or Department of Health and Human Resources.
- Five at-large members from throughout Caldwell Parish shall be elected by the general membership at the Council's annual meeting.

Although the Caldwell Parish Government appoints a voting majority of the Council's board, the Caldwell Parish Government does not intend to impose its will to affect the operations of the Council.

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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Reporting Entity (Continued)

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 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 a primary government.

c. Basis of Presentation of the Basic Financial 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, the purpose of which are to report individual major governmental funds and combined nonmajor funds.

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

Government-Wide Financial 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 year. Intergovernmental revenues primarily support governmental activities.

In the government-wide Statement of Net Position, only one column of numbers has presented for total governmental activities. The numbers are presented on a basis and represent only governmental type activities.

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.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

The government-wide Statement of Activities reports both the gross and net cost of each Council's functions and significant programs. Many functions and programs are general government revenues such as intergovernmental revenues and unrestricted support, particularly if the function or program has a net cost. The Statement of begins by presenting gross direct and indirect expenses that include depreciation and amortization, and then reduces the expenses by related program revenues, such as services, operating and capital grants, and restricted contributions, to derive the net cost each function or program. Program revenues must be directly associated with the program to be used to directly offset its cost. Operating grants include operating-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 a specific function or program, whereas, the Council allocates its indirect expenses various functions and programs in accordance with OMB Circular A-87, *Cost States, Local, and Indian Tribal Governments*. The Statement of Activities shows this allocation in a separate column labeled "indirect expenses."

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

Fund Financial Statements:

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

The daily accounts and operations of the Council continue to be organized using funds. accounting is designed to demonstrate legal compliance and to aid financial segregating transactions relating to certain governmental functions or activities. The of each fund are accounted for with a separate set of self-balancing accounts that assets, liabilities, equity, revenues, and expenditures. Government resources are and accounted for in individual funds based upon the purpose for which they are to be and the means by which spending activities are controlled.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of the 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 the Council or if its total assets, liabilities, revenues or expenditures are at least 10% of the corresponding total for all funds in 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

Governmental fund equity is called the fund balance. Fund balance is further classified a hierarchy that shows, from the highest to the lowest, the level or form of constraints on a 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 the financial resources except those required to be accounted for in another fund. The following is a brief description of the programs or funding sources that comprise Council's General Fund:

Local Programs and Funding

The Council receives 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 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 expenditures of the other programs exceeded their revenues. In addition, capital outlay expenditures are usually made with local funds to minimize restrictions on the use and disposition of fixed assets.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

PCOA Funding

PCOA 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 FY 2019, the Council received this grant money into its General Fund and management transferred PCOA funds as follows: Title III B Supportive Services Fund - \$37,500 to help pay for that fund's program expenditures.

Senior Center and Supplemental Senior Center Funding

Senior Center and Supplemental Senior Center grant funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly who are at least 60 years old. To obtain supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." During the year, management transferred all \$35,913 of its Senior Center (\$25,000) and Supplemental Senior Center (\$10,913) grant funds to the Title III B Fund, to subsidize that program's cost of providing supportive social services to elderly persons who used the senior centers.

Transportation Program Services

The Council provides various transportation services to the residents of Caldwell Parish who are at least 60 years old, which are accounted for in the "Elderly Transportation" program of the Title III B Fund.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

NonMajor Governmental Funds:

Title III B Fund

The Title III B Fund is used to account for funds used to provide various types of supportive social services to the elderly. GOEA has established the criteria for 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>Type of Service Provided</u>	<u>Units</u>
Information and Assistance	347
Outreach	58
Homemaker	696
Transportation for persons age 60 or older	10,506

There were two main sources of revenues received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services (\$36,767) and restricted, voluntary contributions from those persons who received supportive services (\$3,148).

Title III C-1 Fund

The Title III C-1 Fund accounts for funds used to provide nutritional congregate meals persons age 60 or older in strategically located centers throughout Caldwell Parish. During the year, the Council provided 6,274 meals to persons eligible to participate in this program. There were four main sources of revenues received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part C-1 - Nutrition Services grant funds (\$30,357) restricted, voluntary contributions from those persons who received congregate meals (\$2,281), and NSIP Funds of (\$713).

Title III C-2 Fund

The Title III C-2 Fund accounts for funds that are used to provide nutritional meals to homebound persons who are age 60 or older. During the year the Council provided 9,643 home-delivered meals.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

There were three main sources of revenue received this year that form the basis of this fund: Special Programs for the Aging - Title III, Part C-2 - Nutrition Services grant (\$39,118); NSIP funds (\$12,347); and restricted voluntary contributions from the public (\$1,687), including those persons actually receiving home-delivered meal services.

Title III D Fund

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the year the Council provided 579 units of service of medication management to eligible participants. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via CAAA for Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services.

Title III E Fund

The Title III E Fund is used to account for funds that are used to provide support for family caregivers and for grandparents or older individuals who are relative. During the year, the Council provided 616 units of respite under this program. The 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.

Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on aging throughout the year to provide assistance to the elderly for the payment of utility bills. The Council has no units of service under this program.

Medicare Improvement for Patients and Providers Act (MIPPA) Fund

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 Subsidy (LIS) and Medicare Savings Plan (MSP) programs. The goal is to provide outreach to individuals in Caldwell Parish, Louisiana with special emphasis on rural communities and to increase public awareness and enrollment into the benefits available under LIS and MSP.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Basis of Presentation of the Basic Financial Statements (Continued)

EFSP Fund

The EFSP Fund is used to account for the administration of the Emergency Food and Shelter National Board Program (EFSP), the purpose of which is to supplement food shelter assistance to individuals. Funds are provided by the U.S. Department of Homeland Security's Federal Emergency Management Agency (FEMA) to the United Way of America, which in turn "passes through" the funds to the Council. The Council did not receive EFSP Funds in FY 2019.

d. 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.

● **Government-Wide Financial Statements - Accrual Basis**

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

● **Fund Financial Statements - Modified Accrual Basis**

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 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 sixty 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

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus and Basis of Accounting (Continued)

available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

e. Interfund Activity

In the fund financial statement, 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.

f. Cash

Cash includes not only currency on hand, but demand deposits with banks or other financial institutions.

For the purpose of the Statement of Net Position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose. At year end, there was no restricted cash.

g. 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 a bad debt at that time.

h. Investments

GASB Statement 31 requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of credit standing of the issuer or other factors. The Council did not own any investments of this type at year end.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Investments (Continued)

Investments, which include securities traded on a national or international exchange, are valued based on their last reported sales price. Investments that do not have an established market value are reported at estimated fair value. The Council did not own any investments of this type at year-end.

i. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expense are shown as either current or other assets on the government-wide Statement 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, 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 prepaid expense and amortized in the Statement of Net Position to better present the economies 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 in the fund financial statements as intergovernmental expenditures when the vehicles are received.

j. 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.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

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 as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the assets 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 assets are as follows:

Office equipment - other than computers	6 years
Vehicles	5 years
Computer equipment	5 years
Leasehold improvements	20 years
Nutrition equipment	10 years

When calculating depreciation, the State's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

k. 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 statements. In the government-wide financial statements, all non-current liabilities that will be repaid from governmental resources 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.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Unpaid Compensated Absences

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

m. Advances from Funding Agency

Advances from funding agency represent unexpected balances of grants awarded to the Council that are required to be returned to the funding agency at the end of the grant period. Grant funds due back to the funding agency are recorded as a liability when the amount due becomes known, normally when a final accounting is submitted to the funding agency. Advances from funding agencies at year end totaled \$828.

n. Deferred Revenue

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, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the 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.

o. Net Position in the Government-Wide Financial Statements

In the government-wide Statement of Net Position, the net position amount is classified and displayed in three different 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.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Net Position in the Government-Wide Financial Statements (Continued)

- Restricted net position - This component consists of net position with constraints 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 or enabling legislation.
- Unrestricted net position - This component consists of all other net position that 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.

p. Fund Equity - Fund Financial Statements

Governmental fund equity is classified as fund balance. Beginning with FY 2010, the Council's management implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the 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 maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- Restricted: This classification includes amounts for which constraints have been placed on the use of resources that 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 has no restricted funds at June 30, 2019.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Equity - Fund Financial Statements (Continued)

- **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-authority. These amounts cannot be used for any other purpose unless the board of directors removes or changes the specified use by taking the same type of action was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- **Assigned:** This classification includes amounts that are constrained by the 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 has no assigned fund balance at year end.
- **Unassigned:** This classification is the residual fund balance for the General Fund. 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 other classified funds.

q. 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.

Note 1 - PURPOSE OF THE COUNCIL ON AGING AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

r. 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 costs of the Administration function. The net cost of the Administration function is allocated using formula 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 expense allocation according to their grant or contract restrictions.

s. Elimination and Reclassifications

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

t. Accounting Pronouncement

Management has adopted the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main financial statement effects relating to this accounting standard are with how components of the Council's fund balances will be presented on the fund balance sheet and on the presentation of special revenue funds on the statement of revenues, expenditures and changes in fund balances. The number of special revenue funds will less than in previous years because of the new definition of what constitutes a special revenue fund.

Note 2 - REVENUE RECOGNITION

Revenues are recorded in the government-wide financial statements when they are earned using 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 and miscellaneous revenues are often difficult to measure; therefore, they are recorded as revenue in the period received.

Note 3 - CASH

The Council maintains a consolidated operating bank account at a bank, which is available 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. All cash balances were fully collateralized by FDIC insurance.

Note 4 - IN-KIND CONTRIBUTIONS

The Council received a variety of in-kind contributions during the year; but it does not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the Statement of Activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

Note 5 - CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

Capital Assets	Balance 7/1/2018	Increase	Decrease	Balance 6/30/2019
Building	\$ 90,993	\$ -	\$ -	\$ 90,993
Building Improvements	173,199	4,800	-	177,999
Land	35,000	105,463	-	140,463
Furniture and Equipment	237,638	-	-	237,638
Subtotal	<u>536,830</u>	<u>110,263</u>	<u>-</u>	<u>647,093</u>
Accumulated Depreciation:				
Building	49,876	2,300	-	52,176
Building Improvements	59,825	3,106	-	62,931
Furniture and Equipment	215,103	17,515	-	232,618
Subtotal	<u>324,804</u>	<u>22,921</u>	<u>-</u>	<u>347,725</u>
Net Assets	<u>\$ 212,026</u>	<u>\$ 87,342</u>	<u>\$ -</u>	<u>\$ 299,368</u>

Depreciation was charged to governmental activities as follows:

Administration	\$ 22,381
Transportation	540
Total depreciation for governmental activities	<u>\$ 22,921</u>

Note 6 - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid 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 7 - INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under 501 (c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509 (a) of the Code. The Council is also from Louisiana income tax. The Council is in compliance with the filing requirements of Internal Revenue Service. Returns are subject to examination by the IRS, generally for three years after they are filed. As of June 30, the Council is not aware of any uncertain tax positions that could cause future tax liabilities. Returns for the years ended June 30, 2017, 2018, and 2019 are subject to review by the IRS.

Note 8 - 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.

Note 9 - JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

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

Note 10 - 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 and the collectability of any related receivables at year end may be impaired. In opinion, there are no significant contingent liabilities relating to compliance with the rules 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 11 - INTERFUND RECEIVABLES AND PAYABLES

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans in the Fund Financial Statements. A summary of those interfund loans at year end is as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ -	\$ -
Special Revenue	-	-
Total	\$ -	\$ -

These loans have been eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

Note 12 - INTERFUND TRANSFERS

Interfund transfers are listed by fund for the fiscal year as follows:

Transfer To	Fund Transferred From					Total
	Local	PCOA	NSIP	Supplemental Senior Ctr	Senior Center	
General Fund	\$ -					\$ -
Total General	-	-	-	-	-	-
Case Management	-	-	-	-	-	-
Special Revenue Funds:						
MIPPA	-	-	-	-	-	-
AAA	-	-	-	-	-	-
III-B	1,656	37,500	-	10,913	25,000	75,069
C-1	-	-	713	-	-	713
C-2	1,269	-	12,347	-	-	13,616
III-D	100	-	-	-	-	100
III-E	-	-	-	-	-	-
Total Special Revenue	3,025	37,500	13,060	10,913	25,000	89,498
Total All	\$ 3,025	\$ 37,500	\$ 13,060	\$ 10,913	\$ 25,000	\$ 89,498

Note 13 - ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from other governments in the form of intergovernmental revenues. Intergovernmental type revenues 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 fiscal year 2020 relating to its usual sources of intergovernmental revenues.

Note 14 - RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

Note 15 - NOTES PAYABLE

Notes payable at June 30, 2019 consisted of two notes to banks dated July 16, 2019. The loans are payable in monthly installments \$518 each and are due on July 16, 2025. The balance on the loans are \$31,701 and \$30,945 and are collateralized by a building.

Amounts required to amortize all long term debt including interest of \$14,802 are as follows:

<u>Year</u> <u>Ended</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 9,519	\$ 2,751	\$ 12,270
2022	9,352	2,919	12,271
2023	9,929	2,342	12,271
2024	10,541	1,730	12,271
2025	<u>23,305</u>	<u>5,060</u>	<u>28,365</u>
Total	<u>\$ 62,646</u>	<u>\$ 14,802</u>	<u>\$ 77,448</u>

Note 16 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 5, 2019, the date the financial statements were available to be issued, and determined that no additional disclosures are warranted.

CALDWELL COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts		Variance with Final Budget
	Original	Final	GAAP	Basis	Favorable (Unfavorable)
REVENUES					
Intergovernmental					
Governor's Office of Elderly Affairs	\$ 86,949	\$ 86,949	\$ 86,949		\$ -
Louisiana Department of Transportation and Development	82,442	82,844	73,776		(9,068)
Department of Health and Hospitals	407,359	408,828	458,131		49,303
Miscellaneous	-	-	36,157		36,157
Total Revenues	<u>576,750</u>	<u>578,621</u>	<u>655,013</u>		<u>76,392</u>
EXPENDITURES					
Current:					
Personnel	348,190	287,658	342,283		(54,625)
Fringe	37,355	31,173	36,725		(5,552)
Travel	22,564	24,759	27,811		(3,052)
Operating Services	72,021	56,569	130,832		(74,263)
Operating Supplies	17,752	11,117	16,332		(5,215)
Other Costs	13,366	23,685	12,954		10,731
Capital Outlay	-	-	110,263		-
Total Expenditures	<u>511,248</u>	<u>434,961</u>	<u>677,200</u>		<u>(242,239)</u>
Excess (deficiency) of revenues over expenditures	<u>65,502</u>	<u>143,660</u>	<u>(22,187)</u>		<u>(165,847)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-		-
Proceeds from borrowing			70,000		70,000
Transfers out	<u>(79,038)</u>	<u>(143,660)</u>	<u>(76,438)</u>		<u>67,222</u>
Total other financing sources and uses	<u>(79,038)</u>	<u>(143,660)</u>	<u>(6,438)</u>		<u>137,222</u>
Net increase (decrease) in fund balances	(13,536)	-	(28,625)		(28,625)
FUND BALANCES					
Beginning of year	<u>175,845</u>	<u>175,845</u>	<u>175,845</u>		<u>-</u>
End of year	<u>\$ 162,309</u>	<u>\$ 175,845</u>	<u>\$ 147,220</u>		<u>\$ (28,625)</u>

CALDWELL COUNCIL ON AGING, INC.

Budgetary Comparison Schedule - Title III B

For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP</u> <u>Basis</u>	<u>Favorable</u> <u>(Unfavorable)</u>
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs	\$ 36,767	\$ 36,767	\$ 36,767	\$ -
Public Support	3,288	3,288	3,148	(140)
Total Revenues	40,055	40,055	39,915	(140)
EXPENDITURES				
Current:				
Personnel	70,334	65,495	64,320	1,175
Fringe	7,546	7,097	6,988	109
Travel	345	353	410	(57)
Operating Services	23,375	23,060	22,750	310
Operating Supplies	15,371	17,138	16,735	403
Other Costs	3,750	3,781	3,781	-
Meals	-	-	-	-
Total Expenditures	120,721	116,924	114,984	1,940
Excess (deficiency) of revenues over expenditures	(80,666)	(76,869)	(75,069)	1,800
OTHER FINANCING SOURCES (USES)				
Transfers in	80,666	76,869	75,069	(1,800)
Transfers out	-	-	-	-
Total other financing sources and uses	80,666	76,869	75,069	(1,800)
Net increase (decrease) in fund balances	-	-	-	-
FUND BALANCES				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

The budget variance of more than 10% in travel was due to an unexpected trip to Baton Rouge to attend the bill signing by the Governor of HB 105.

CALDWELL COUNCIL ON AGING, INC.

Combining Statement of Program Revenues, Expenditures
and Changes in Fund Balances
Non-Major Special Revenue Funds
For the Year Ended June 30, 2019

	C-1	C-2	Title IID	Title IIE	NSIP	Totals
<u>REVENUES</u>						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 30,357	\$ 39,118	\$ 3,667	\$ 11,088	\$ 13,060	\$ 97,290
Public Support:						
Restricted - Utility Programs	-	-	-	-	-	-
Client Contributions	2,281	1,687	-	-	-	3,968
 Total Revenues	<u>32,638</u>	<u>40,805</u>	<u>3,667</u>	<u>11,088</u>	<u>13,060</u>	<u>101,258</u>
<u>EXPENDITURES</u>						
Salaries	6,368	10,667	1,712	-	-	18,747
Fringe	680	1,280	185	-	-	2,145
Travel	26	74	7	-	-	107
Operating Services	884	4,314	230	-	-	5,428
Operating Supplies	179	1,829	46	-	-	2,054
Other Costs	1,217	1,388	1,587	11,088	-	15,280
Meals	23,997	34,869	-	-	-	58,866
Utility Assistance	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
 Total Expenditures	<u>33,351</u>	<u>54,421</u>	<u>3,767</u>	<u>11,088</u>	<u>-</u>	<u>102,627</u>
 Excess (deficiency) of revenues over expenditures	(713)	(13,616)	(100)	-	13,060	(1,369)
<u>OTHER FINANCING SERVICES (USES)</u>						
Operating transfers in	713	13,616	100	-	-	14,429
Operating transfers out	-	-	-	-	(13,060)	(13,060)
 Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
<u>FUND BALANCES</u>						
Beginning of year	-	-	-	-	-	-
 End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CALDWELL COUNCIL ON AGING, INC.

Statement of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
General Fixed Assets, at cost:				
Building	\$ 90,993	\$ -	\$ -	\$ 90,993
Building Improvements	173,199	4,800	-	177,999
Land	35,000	105,463	-	140,463
Furniture and Equipment	237,638	-	-	237,638
Total	<u>\$ 536,830</u>	<u>\$ 110,263</u>	<u>\$ -</u>	<u>\$ 647,093</u>
Investment in General Fixed Assets:				
Section 18	\$ 47,253	\$ -	\$ -	\$ 47,253
Section 16	30,975	-	-	30,975
Case Management	22,430	-	-	22,430
PCOA	69,774	-	-	69,774
MIPPA	1,295	-	-	1,295
Local	365,103	110,263	-	475,366
Total	<u>\$ 536,830</u>	<u>\$ 110,263</u>	<u>\$ -</u>	<u>\$ 647,093</u>

CALDWELL COUNCIL ON AGING, INC.
Schedule of Compensation, Benefits, and Other Payments
to Agency Head
For the Year Ended June 30, 2019

Agency Head: Dottie Etheridge, Executive Director

Salary	<u>\$ 51,090</u>
Payroll Taxes	<u>\$ 4,102</u>
Reimbursements	<u>\$ -</u>
Travel	<u>\$ 1,458</u>
Seminars	<u>\$ 100</u>



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

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

Board of Directors
Caldwell Council on Aging, Inc.
Columbia, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caldwell Council on Aging, Inc., as of and for the year ended June 30, 2019, and related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued my report thereon dated September 5, 2019.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Caldwell Council on Aging, Inc.'s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, I do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 Council's financial statements will not be prevented, or detected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit, I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

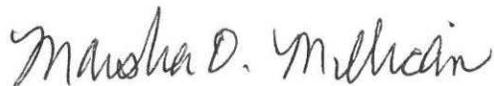
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caldwell Council on Aging, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

810 WILKINSON
SHREVEPORT, LA 71104-3036
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Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Although the intended use of this report may be limited, under Louisiana Revised Statutes, it is issued by the Legislative Auditor as a public document.



Certified Public Accountant
September 5, 2019

CALDWELL COUNCIL ON AGING, INC.

Schedule of Findings

For the Year Ended June 30, 2019

Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

FINDING/NONCOMPLIANCE

There were no findings for the year ended June 30, 2019.

CALDWELL COUNCIL ON AGING, INC.

Schedule of Prior Year Findings

For the Year Ended June 30, 2019

There were no findings for the year ended June 30, 2018.



Marsha O. Millican
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING
STATEWIDE AGREED-UPON PROCEDURES

To the Board of Directors
Caldwell Council on Aging

I have performed the procedures enumerated below, which agreed to by the Board of Directors of Caldwell Council on Aging, Inc. (the Council) and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the LLA's Statewide Agreed Upon Procedures (SAUPs) for the fiscal year ended June 30, 2019. The Council's management is responsible for those control and compliance 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 the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of the Council. Consequently, I make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

My procedures and associated findings are enumerated below.

Written Policies and Procedures

1. I obtained and inspected the entity's written policies and procedures and observed that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring and amending the budget.
 - 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.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- 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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt insurance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Procedure Results - No exceptions noted.

Board or Finance Committee

- 2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds.

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

Procedure Results - No exceptions noted.

Bank Reconciliations

- 3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 individual accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
 - a) Bank reconciliation include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
 - b) Bank reconciliations include evidence that a member of management/ board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Procedure Results - No exceptions noted.

Collections

- 4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledger, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Obtain supporting documentation for each of the 10 deposits and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.
- a) Procedure Results - No exceptions noted.

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

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the entity has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making a purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Procedure Results - No exceptions noted.

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

- 11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
- 12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved in writing (or electronically approved) by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
- 13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

Procedure Results - No exceptions noted.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Procedure Results - No exceptions noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Randomly, select 5 contracts (or all contracts if less than 5) from the listing and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g. change orders, observe that the original contract terms provided for such an amendment.

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

Procedure Results - No exceptions noted.

Payroll and Personnel

16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employee's/official, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly, select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' authorized pay rates in the employees/officials' personnel files.
19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Procedure Results - No exceptions noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under 'Payroll and Personnel' above, obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

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

Procedure Results - No exceptions noted.

Debt Service

21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that the State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Procedure Results - No exceptions noted.

Other

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Procedure Results - No exceptions noted.

I was not engaged and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Statewide Agreed-Upon Procedures. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Council and the LLA, and is not intended to be, and should not be, used by anyone other than the specified parties.

Marsha D. Milhian

Certified Public Accountant

September 5, 2019