

VERMILION COUNCIL ON AGING, INC.
Abbeville, Louisiana

Financial Report

Year Ended June 30, 2019

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

The Board of Directors
Vermilion Council on Aging, Inc.
Abbeville, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Vermilion 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. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 31 through 36 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. We have not audited, reviewed, or compiled the required supplementary information and we do not express an opinion, a conclusion, nor provide any assurance on it.

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

Other Information

The schedule of nonmajor funds and comparative schedule of general fixed assets on pages 38 through 39 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of nonmajor funds and comparative schedule of general fixed assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

In accordance with Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report dated December 17, 2019, on the results of our agreed-upon procedures.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 17, 2019

GOVERNMENT WIDE FINANCIAL STATEMENTS

VERMILION COUNCIL ON AGING, INC.

Government Wide Statement of Net Position
June 30, 2019

| | Governmental Activities |
|---|------------------------------------|
| Assets | |
| Cash | \$ 61,079 |
| Grants and contracts receivable | 34,136 |
| Capital assets, net of accumulated depreciation | <u>100,510</u> |
| Total Assets | <u>195,725</u> |
| Liabilities | |
| Note payable | 54,713 |
| Accounts payable | 1,049 |
| Payroll taxes payable | 39,008 |
| Accrued compensated absences | <u>540</u> |
| Total Liabilities | <u>95,310</u> |
| Net Position | |
| Invested in Capital Assets, net of debt | 100,510 |
| Restricted for: | |
| Utility assistance | 22,675 |
| Title III E | 4,619 |
| FEMA | 1,437 |
| Unrestricted | <u>(28,826)</u> |
| Total Net Position | <u>\$ 100,415</u> |

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2019

| Function/Programs | Direct Expenses | Indirect Expenses |
|---|--------------------|----------------------|
| Governmental Activities | | |
| Health, Welfare & Social Services: | | |
| Supportive Services: | | |
| Homemaker | \$ 79,241 | \$ 25,956 |
| Information and assistance | 16,488 | 5,401 |
| Outreach | 2,026 | 664 |
| Nutrition Services: | | |
| Congregate Meals | 21,631 | 7,086 |
| Home delivered meals | 65,801 | 21,553 |
| National family caregiver support | 37,215 | 12,190 |
| Multipurpose senior centers | 23,024 | 7,480 |
| Administration | 118,233 | (80,330) |
| Total governmental activities | \$ 363,659 | \$ - |

| Charges for Services | Program Revenues | | Total Governmental Activities | Net (Expense) Revenue and Increases (Decreases) in Net Position |
|-------------------------|---------------------------------------|-------------------------------------|----------------------------------|---|
| | Operating Grants and Contributions | Capital Grants and Contributions | | |
| \$ 1,990 | \$ 79,541 | \$ - | \$ (23,666) | |
| - | 16,965 | - | (4,924) | |
| - | 2,085 | - | (605) | |
| 4,879 | 9,754 | - | (14,084) | |
| 9,988 | 6,872 | - | (70,494) | |
| 669 | 53,355 | - | 4,619 | |
| - | 63,673 | - | 33,169 | |
| - | 37,903 | - | - | |
| <u>\$ 17,526</u> | <u>\$ 270,148</u> | <u>\$ -</u> | <u>\$ (75,985)</u> | |

General Revenues:

| | |
|--|-------------------|
| Grants and contributions not restricted to specific programs | 22,058 |
| Miscellaneous | 4,779 |
| Total general revenues and special items | <u>26,837</u> |
| Decrease in net position | (49,148) |
| Net position - beginning of the year | <u>149,563</u> |
| Net position - end of the year | <u>\$ 100,415</u> |

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

VERMILION COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2019

| | General Fund | Title III B | Title III C-2 | Title III E | Non-Major Funds | Total |
|---|----------------------|-----------------|------------------|-----------------|----------------------|----------------|
| Assets | | | | | | |
| Cash | \$ 44,944 | \$ - | \$ - | \$ - | \$ 16,135 | \$ 61,079 |
| Due from other funds | - | - | - | - | 7,977 | 7,977 |
| Grants and contracts receivable | 34,136 | - | - | - | - | 34,136 |
| Total Assets | 79,080 | - | - | - | 24,112 | 103,192 |
| Liabilities and Fund Balances | | | | | | |
| Liabilities: | | | | | | |
| Due to other funds | 7,977 | - | - | - | - | 7,977 |
| Note payable | 54,713 | - | - | - | - | 54,713 |
| Accounts payable | 1,049 | - | - | - | - | 1,049 |
| Payroll taxes payable | 39,008 | - | - | - | - | 39,008 |
| Total Liabilities | 102,747 | - | - | - | - | 102,747 |
| Fund Balances: | | | | | | |
| Restricted for: | | | | | | |
| Utility assistance | - | - | - | - | 22,675 | 22,675 |
| Title III E | 4,619 | - | - | - | - | 4,619 |
| FEMA | - | - | - | - | 1,437 | 1,437 |
| Unassigned | (28,286) | - | - | - | - | (28,286) |
| Total Fund Balances | (23,667) | - | - | - | 24,112 | 445 |
| Total Liabilities and Fund Balances | \$ 79,080 | \$ - | \$ - | \$ - | \$ 24,112 | |

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

| | |
|--|-------------------|
| - Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds | (540) |
| - Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds | 100,510 |
| Net position of governmental activities | \$ 100,415 |

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2019

| | General Fund | Title III B | Title III C-2 | Title III E | Non-Major Funds | Total Governmental Funds |
|---|--------------------|-----------------|------------------|----------------|--------------------|--------------------------------|
| REVENUES | | | | | | |
| Intergovernmental: | | | | | | |
| Governor's Office of Elderly Affairs | \$ 112,087 | \$ - | \$ - | \$ - | \$ - | \$ 112,087 |
| Cajun Area Agency on Aging, Inc. | - | 98,591 | 6,872 | 53,355 | 9,754 | 168,572 |
| Program Service Fees: | | | | | | |
| Homemaker | - | 1,990 | - | - | - | 1,990 |
| Home delivered meals | - | - | 9,988 | - | - | 9,988 |
| Congregate meals | - | - | - | - | 4,879 | 4,879 |
| Caregivers | - | - | - | 669 | - | 669 |
| Local and miscellaneous: | | | | | | |
| Municipalities | 50 | - | - | - | - | 50 |
| Donations | 11,497 | - | - | - | - | 11,497 |
| Miscellaneous | 4,779 | - | - | - | - | 4,779 |
| Total Revenues | <u>128,413</u> | <u>100,581</u> | <u>16,860</u> | <u>54,024</u> | <u>14,633</u> | <u>314,511</u> |
| EXPENDITURES | | | | | | |
| Health, Welfare, & Social Services | | | | | | |
| Current: | | | | | | |
| Personnel | 25,381 | 93,796 | 49,724 | 33,844 | 20,516 | 223,261 |
| Fringe | 3,692 | 13,640 | 7,231 | 4,922 | 2,983 | 32,468 |
| Travel | 324 | 5,338 | 26,598 | 4,641 | 513 | 37,414 |
| Operating Services | 14,052 | 13,707 | 3,801 | 3,801 | 3,801 | 39,162 |
| Operating Supplies | - | 3,295 | - | 2,197 | 904 | 6,396 |
| Other Costs | 8,570 | - | - | - | - | 8,570 |
| Debt service – principal and interest | 3,157 | - | - | - | - | 3,157 |
| Total Expenditures | <u>55,176</u> | <u>129,776</u> | <u>87,354</u> | <u>49,405</u> | <u>28,717</u> | <u>350,428</u> |
| Excess (deficiency) of revenues over expenditures | <u>73,237</u> | <u>(29,195)</u> | <u>(70,494)</u> | <u>4,619</u> | <u>(14,084)</u> | <u>(35,917)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 4,619 | 29,195 | 70,494 | - | 14,084 | 118,392 |
| Transfers out | (113,773) | - | - | (4,619) | - | (118,392) |
| Total other financing sources (uses) | <u>(109,154)</u> | <u>29,195</u> | <u>70,494</u> | <u>(4,619)</u> | <u>14,084</u> | <u>-</u> |
| Net decrease in fund balances | (35,917) | - | - | - | - | (35,917) |
| FUND BALANCES | | | | | | |
| Beginning of the year | <u>12,250</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>24,112</u> | <u>36,362</u> |
| End of the year | <u>\$ (23,667)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 24,112</u> | <u>\$ 445</u> |

The accompanying notes are an integral part of this statement.

VERMILION 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, 2019

| | |
|---|--------------------|
| Net decrease in fund balances - total governmental funds | \$ (35,917) |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$16,205) exceeds capital outlay (\$0) in the period.</p> | (16,205) |
| <p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes current financial resources. This is the amount by which debt service principal payments (\$3,088) exceeds debt proceeds (\$0) in the period.</p> | 3,088 |
| <p>Governmental funds report compensated absences as expenditures only when paid and therefore the amount earned in excess of the amount paid do not require the use of current financial resources and is not reported as an expenditure in government funds.</p> | <u>(114)</u> |
| Decrease in net position of governmental activities | <u>\$ (49,148)</u> |

The accompanying notes are an integral part of this statement.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in Vermilion 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 a mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of 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.

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

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, 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 social 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.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Vermilion Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on May 19, 1975 and subsequently received its charter from the Governor of the State of Louisiana.

A board of directors, consisting of 11 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:

- All members from throughout Vermilion Parish shall be elected by the general membership at the Council's annual meeting.

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

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

C. Presentation of Statements

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

Both the government-wide and fund financial statements categorize primary activities as either "governmental" or "business" type. The Council's functions and programs have all been categorized as "governmental" activities. 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.

D. Basic Financial Statements - Government-Wide Statements

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

In the government-wide Statement of Net Position only one column of numbers has been presented for total governmental activities. The numbers are presented on a consolidated 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.

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

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

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

E. Basic Financial Statements - Fund Financial Statements

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2019, the Council received this grant money into its General Fund and management transferred all \$37,500 of the PCOA funds to the Title III Funds to help pay for the funds' program expenditures.

Fundraisers were held during the year by the Council's board of directors to raise more unrestricted revenue.

Senior Center Fund and Supplemental Senior Center 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 persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." The senior center for Vermilion Parish is located in Abbeville. During the year, management transferred \$0 of its Senior Center (\$63,674), all Supplemental Senior Center (\$3,100), and all Supplemental Senior Center #2 (\$7,813) grant funds to the Title III Funds to subsidize these programs' cost of providing supportive services to elderly persons who used the senior center.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The term "*proceeds of specific revenue sources*" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

The Council has established several special revenue funds. The following are brief descriptions of the purpose of each special revenue and their classification as either a major or nonmajor governmental fund:

Major Special Revenue Funds

The Title III B Fund accounts for funds which are used to provide various types of supportive social services to the elderly. GOEA has established the criteria for

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

defining a qualifying unit of service for each Title III program. Specific supportive services, along with the number of units provided during the fiscal year, are as follows:

| | <u>Units</u> |
|----------------------------|--------------|
| Homemaker | 4,685 |
| Information and assistance | 807 |
| Outreach | 188 |

There were two main sources of revenues received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$98,591) and restricted, voluntary public support from persons who actually received homemaker (\$1,990) and transportation services under this program.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 43,801 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$6,872) and restricted, voluntary contributions from the public (\$9,988), including those persons actually receiving home-delivered meal services.

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. During the fiscal year, 194 units of information and assistance, 1,338 units of in home respite, and 897 units of sitter service were provided under the Title III E program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via CAAA for the Title III, Part E _ National Family Caregivers Support Program (\$53,355).

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2019, the Council served about 14,421 congregate meals and also provided 1,198 units of nutritional education to eligible participants.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$9,754) and restricted, voluntary contributions from those persons who received congregate meals (\$4,879).

The FEMA Fund is used to account for the administration of a Disaster Assistance Program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through the United Way of Acadiana, which in turn "passes through" the funds to the Council.

The Project Care Fund is used to account for the administration of a program that is sponsored by Entergy. Entergy collects contributions from service customers and remits these funds to the Cajun Area Agency on Aging (CAAA). The CAAA in turn remits the funds to the parish councils on aging throughout the state to provide assistance to the elderly for the payment of their utility bills. No indirect or administrative expenses can be paid for with these funds.

F. Measurement Focus and Basis of Accounting

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

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

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

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

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

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

H. Cash and Cash Equivalents:

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

I. Receivables

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

J. Prepaid Expenses/Expenditures

Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide Statement of Net Position, depending on when management expects to realize their benefits.

In the fund financial statements, management has elected not to include amounts paid for future goods and services as expenditures until those services are consumed. This method of accounting for prepaid expenditures helps assure management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. These types of grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services relating to them are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the General Fund has been classified as nonspendable to reflect the amount of fund balance not currently available for expenditure.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

K. Capital Assets

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

Government-Wide Financial Statements

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

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

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

| | |
|--------------|-----------|
| Equipment | 5-7 years |
| Vehicles | 5 years |
| Computers | 3 years |
| Improvements | 15 years |

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Fund Financial Statements

In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

L. 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 are reported as liabilities. In the fund financial statements, non-current liabilities for governmental funds are not reported as liabilities or presented elsewhere in these statements.

M. Unpaid Compensated Absences

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

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

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

N. Deferred Revenues

The Council reports deferred revenues on both the Statement of Net Position (government-wide) and the Balance Sheet (fund financial statements). Deferred revenues arise when the Council receives resources before it has a legal claim to them, 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 amounts are classified and displayed in three components:

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council did not have any borrowings that were related to capital assets.
- Restricted net position – This component consists of net positions with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – This component consists of all other net positions that do not meet the definition of “restricted” or “invested in capital assets.”

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

P. Fund Equity – Fund Financial Statements

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified \$0 as being nonspendable.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Council has a restricted fund balance of \$28,731 as of June 30, 2019, of which \$22,675 represents the contributors' restriction of resources to be used for utility assistance, \$1,437 of contributors' restriction of resources to be used for FEMA, and \$4,619 of excess Title III E funds.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year end.
- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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.

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 expenses of the Administration function. GOEA provides funds to partially subsidize the Council's Administration function. The unsubsidized net cost of the Administration function is allocated using a formula that is based primarily on the relationship the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect cost allocation according to their grant or contract limitations.

S. Elimination and Reclassifications

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

NOTE 2 REVENUE RECOGNITION

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

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

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT, DEPOSITS AND INVESTMENTS

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

During the year the Council might accumulate cash in excess of its immediate needs. To maximize its revenues, the Council's management will invest the excess cash. Although it is not required by law to comply with the State of Louisiana's investment laws, the Council's management has adopted an investment policy that is intended to follow Louisiana Revised Statute 33:2955, which sets forth a list of the types of investments in which a political subdivision may invest its temporarily idle funds.

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$61,079, whereas the related bank balances totaled \$73,372. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

| <u>Cash & Investments</u> | <u>Cost</u> | <u>Fair Value</u> | <u>Interest Rate</u> | <u>Maturity</u> | <u>Credit Risk Category</u> |
|-------------------------------|------------------|-------------------|----------------------|-----------------|-----------------------------|
| Cash: | | | | | |
| Bank of Abbeville | \$ 55,558 | \$ 55,558 | None | Demand | Category 1 |
| Gulf Coast Bank | \$ 5,521 | \$ 5,521 | None | Demand | Category 1 |
| Total Cash & Investments | <u>\$ 61,079</u> | <u>\$ 61,079</u> | | | |
| Unrestricted Purpose | \$ 32,348 | | | | |
| Restricted Purpose: | | | | | |
| Utility Assistance | 22,675 | | | | |
| Title III E | 4,619 | | | | |
| FEMA | <u>1,437</u> | | | | |
| Total Cash & Investments | <u>\$ 61,079</u> | | | | |

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT, DEPOSITS AND INVESTMENTS (Continued)

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

NOTE 4 INTERFUND RECEIVABLES AND PAYABLES

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|------------------------|---------------------------------|-------------------------------|
| General Fund | \$ - | \$ 7,977 |
| Special Revenue Funds: | | |
| FEMA | 1,437 | - |
| Project Care | <u>6,540</u> | <u>-</u> |
| | <u>\$ 7,977</u> | <u>\$ 7,977</u> |

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

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

| <u>Program</u> | <u>Fund</u> | <u>Provider</u> | <u>Amount</u> |
|--|-------------|-----------------|------------------|
| Social Services | Title III B | CAAA | \$ 7,463 |
| Caregivers | Title III E | CAAA | 26,391 |
| Miscellaneous | General | Various | <u>282</u> |
| Total government grants and contracts receivable | | | <u>\$ 34,136</u> |

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

| | Balance June 30, 2018 | Increases | Decreases | Balance June 30, 2019 |
|--------------------------|--------------------------|--------------------|-------------|--------------------------|
| Capital Assets | | | | |
| Furniture & equipment | \$ 64,220 | \$ - | \$ - | \$ 64,220 |
| Leasehold improvements | <u>147,805</u> | <u>-</u> | <u>-</u> | <u>147,805</u> |
| Subtotal | <u>212,025</u> | <u>-</u> | <u>-</u> | <u>212,025</u> |
| Accumulated depreciation | | | | |
| Furniture & equipment | 47,847 | 7,109 | - | 54,956 |
| Leasehold improvements | <u>47,463</u> | <u>9,096</u> | <u>-</u> | <u>56,559</u> |
| Subtotal | <u>95,310</u> | <u>16,205</u> | <u>-</u> | <u>111,515</u> |
| Net capital assets | <u>\$ 116,715</u> | <u>\$ (16,205)</u> | <u>\$ -</u> | <u>\$ 100,510</u> |

The Council's management has reviewed capital assets and does not believe any capital assets have been impaired as of year-end.

Depreciation of \$16,205 was charged to governmental activities as administrative expense for the year ended June 30, 2019.

NOTE 7 NOTE PAYABLE

Note payable to Cajun Area Agency on Aging, Inc., payable in one installment of \$37,500 prior to September 1, 2019, and the balance of all remaining amounts due by December 31, 2019, including interest at 0.0%.

\$ 54,713

NOTE 8 LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

| | Balance June 30, 2018 | Principal | | Balance June 30, 2019 |
|--------------------------------|--------------------------|-------------|-----------------|--------------------------|
| | | Additions | Reductions | |
| Note payable - Gulf Coast Bank | <u>\$ 3,088</u> | <u>\$ -</u> | <u>\$ 3,088</u> | <u>\$ -</u> |

Long-term debt consists of a note payable to Gulf Coast Bank, payable in thirty-six payments of \$434, including interest at 6.5%, schedule to mature in July 2020. The balance was paid in full as of January 2, 2019.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 CHANGES IN COMPENSATED ABSENCES

The following is a schedule of the changes in accrued compensated absences:

| | Balance June 30, 2018 | Increases | Decreases | Balance June 30, 2019 |
|----------------------|--------------------------|-----------|-----------|--------------------------|
| Accrued annual leave | \$ 426 | \$ 114 | - | \$ 540 |

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Council has \$22,675 of utility assistance, \$1,437 of FEMA, and \$4,619 of Title III E funds that remain unspent as of year end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council’s Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE 11 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members can request reimbursement for out-of-pocket expenses in accordance with the Council’s travel policy when traveling on behalf of the Council.

NOTE 12 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 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. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. The Council had no material unrelated business income for the fiscal year under audit. The Council’s management believes it is no longer subject to income tax examinations for fiscal years prior to June 30, 2016.

NOTE 13 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 15 ECONOMIC DEPENDENCY

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

NOTE 16 RISK MANAGEMENT

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

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

NOTE 17 RETIREMENT PLAN

The Council sponsors a defined contribution 401(k) profit-sharing plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under Internal Revenue Service rules. The Council did not make any contributions to the plan for the year ended June 30, 2019.

NOTE 18 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

VERMILION COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 INTERFUND TRANSFERS

Operating transfers to and from the various funds are as follows for the fiscal year:

| | Funds transferring in: | | | | Total |
|--------------------------------|------------------------|-------------|---------------|---------------|------------|
| | General Fund | Title III B | Title III C-1 | Title III C-2 | |
| <u>Funds transferring out:</u> | | | | | |
| Local | \$ - | \$ 29,195 | \$ 45 | \$ 36,120 | \$ 65,360 |
| PCOA | - | - | 3,126 | 34,374 | 37,500 |
| Supplemental Senior Center | - | - | 3,100 | - | 3,100 |
| Supplemental Senior Center #2 | - | - | 7,813 | - | 7,813 |
| Total General Fund | - | 29,195 | 14,084 | 70,494 | 113,773 |
| Special Revenue Funds: | | | | | |
| Major Funds: | | | | | |
| Title III E | 4,619 | - | - | - | 4,619 |
| Total Special Revenue Funds | 4,619 | - | - | - | 4,619 |
| Total all funds | \$ 4,619 | \$ 29,195 | \$ 14,084 | \$ 70,494 | \$ 118,392 |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits. These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

NOTE 20 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits and other payments made to Executive Director Calesia Briggs for the year ended June 30, 2019 follows:

| Calesia Briggs, Executive Director | |
|---|------------------|
| Purpose | Amount |
| Salary | \$ 21,840 |
| Reimbursements and other | 1,205 |
| Total | <u>\$ 23,045</u> |

NOTE 21 SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2019, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|------------------|-----------------------------------|--|
| | Original | Final | | |
| Budgetary fund balance, July 1 | \$ 12,250 | \$ 12,250 | \$ 12,250 | \$ - |
| Resources (inflows): | | | | |
| Total revenues and transfers in | <u>175,871</u> | <u>175,871</u> | <u>133,032</u> | <u>(42,839)</u> |
| Amounts available for appropriation | <u>188,121</u> | <u>188,121</u> | <u>145,282</u> | <u>(42,839)</u> |
| Charges to appropriations (outflows): | | | | |
| Personnel and fringe | 28,562 | 28,562 | 29,073 | (511) |
| Travel | 272 | 272 | 324 | (52) |
| Operating services | 14,466 | 14,466 | 14,052 | 414 |
| Operating supplies | 1,200 | 1,200 | - | 1,200 |
| Other costs | - | - | 8,570 | (8,570) |
| Debt service – principal and interest | 3,157 | 3,157 | 3,157 | - |
| Transfers out | <u>113,773</u> | <u>113,773</u> | <u>113,773</u> | <u>-</u> |
| Total charges to appropriations | <u>161,430</u> | <u>161,430</u> | <u>168,949</u> | <u>(7,519)</u> |
| Budgetary fund balance, June 30 | <u>\$ 26,691</u> | <u>\$ 26,691</u> | <u>\$ (23,667)</u> | <u>\$ (50,358)</u> |

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B Fund
 Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|---------|-----------------------------------|--|
| | Original | Final | | |
| Budgetary fund balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (inflows): | | | | |
| Total revenues and transfers in | 126,887 | 126,887 | 129,776 | 2,889 |
| Amounts available for appropriation | 126,887 | 126,887 | 129,776 | 2,889 |
| Charges to appropriations (outflows): | | | | |
| Personnel and fringe | 105,548 | 105,548 | 107,436 | (1,888) |
| Travel | 4,472 | 4,472 | 5,338 | (866) |
| Operating services | 14,467 | 14,467 | 13,707 | 760 |
| Operating supplies | 2,400 | 2,400 | 3,295 | (895) |
| Total charges to appropriations | 126,887 | 126,887 | 129,776 | (2,889) |
| Budgetary fund balance, June 30 | \$ - | \$ - | \$ - | \$ - |

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|---------------|-----------------------------------|--|
| | Original | Final | | |
| Budgetary fund balance, July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (inflows): | | | | |
| Total revenues and transfers in | <u>82,370</u> | <u>82,370</u> | <u>87,354</u> | <u>4,984</u> |
| Amounts available for appropriation | <u>82,370</u> | <u>82,370</u> | <u>87,354</u> | <u>4,984</u> |
| Charges to appropriations (outflows): | | | | |
| Personnel and fringe | 55,954 | 55,954 | 56,955 | (1,001) |
| Travel | 22,283 | 22,283 | 26,598 | (4,315) |
| Operating services | <u>4,133</u> | <u>4,133</u> | <u>3,801</u> | <u>332</u> |
| Total charges to appropriations | <u>82,370</u> | <u>82,370</u> | <u>87,354</u> | <u>(4,984)</u> |
| Budgetary fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III E
 Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts Budgetary Basis | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|------------------|---------------|-----------------------------------|--|
| | Original | Final | | |
| Budgetary fund balance. July 1 | \$ - | \$ - | \$ - | \$ - |
| Resources (inflows): | | | | |
| Total revenues and transfers in | <u>51,124</u> | <u>51,124</u> | <u>54,024</u> | <u>2,900</u> |
| Amounts available for appropriation | <u>51,124</u> | <u>51,124</u> | <u>54,024</u> | <u>2,900</u> |
| Charges to appropriations (outflows): | | | | |
| Personnel and fringe | 38,084 | 38,084 | 38,766 | (682) |
| Travel | 3,888 | 3,888 | 4,641 | (753) |
| Operating services | 4,133 | 4,133 | 3,801 | 332 |
| Operating supplies | 400 | 400 | 2,197 | (1,797) |
| Transfers out | <u>4,619</u> | <u>4,619</u> | <u>4,619</u> | <u>-</u> |
| Total charges to appropriations | <u>51,124</u> | <u>51,124</u> | <u>54,024</u> | <u>(2,900)</u> |
| Budgetary fund balance. June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

See notes to required supplementary information.

VERMILION COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

VERMILION COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

VERMILION COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2019

| | Title III C-1 | FEMA | Project Care | Total |
|--|------------------|-----------------|------------------|------------------|
| REVENUES | | | | |
| Cajun Area Agency on Aging, Inc. | \$ 9,754 | \$ - | \$ - | \$ 9,754 |
| Program Service fees | <u>4,879</u> | <u>-</u> | <u>-</u> | <u>4,879</u> |
| Total Revenues | <u>14,633</u> | <u>-</u> | <u>-</u> | <u>14,633</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Personnel | 20,516 | - | - | 20,516 |
| Fringe | 2,983 | - | - | 2,983 |
| Travel | 513 | - | - | 513 |
| Operating Services | 3,801 | - | - | 3,801 |
| Operating Supplies | 904 | - | - | 904 |
| Other Costs | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>28,717</u> | <u>-</u> | <u>-</u> | <u>28,717</u> |
| Deficiency of revenues over expenditures | <u>(14,084)</u> | <u>-</u> | <u>-</u> | <u>(14,084)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 14,084 | - | - | 14,084 |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and uses | <u>14,084</u> | <u>-</u> | <u>-</u> | <u>14,084</u> |
| Net decrease in fund balances | - | - | - | - |
| FUND BALANCES | | | | |
| Beginning of the year | <u>-</u> | <u>1,437</u> | <u>22,675</u> | <u>24,112</u> |
| End of the year | <u>\$ -</u> | <u>\$ 1,437</u> | <u>\$ 22,675</u> | <u>\$ 24,112</u> |

VERMILION COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
 And Changes In General Fixed Assets
 Year Ended June 30, 2019

| | Balance June 30, 2018 | Additions | Deletions | Balance June 30, 2019 |
|---|-----------------------------|-------------|-------------|-----------------------------|
| General fixed assets: | | | | |
| Furniture and equipment | \$ 64,220 | \$ - | \$ - | \$ 64,220 |
| Leasehold improvements | <u>147,805</u> | <u>-</u> | <u>-</u> | <u>147,805</u> |
| Total general fixed assets | <u>\$ 212,025</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 212,025</u> |
| Investment in general fixed assets: | | | | |
| Property acquired prior to July 1, 1990 | \$ 11,364 | \$ - | \$ - | \$ 11,364 |
| Property acquired after July 1, 1990 with funds from - | | | | |
| Local | 7,451 | - | - | 7,451 |
| PCOA | 15,794 | - | - | 15,794 |
| Title III B | 1,493 | - | - | 1,493 |
| Title III D | 2,995 | - | - | 2,995 |
| FEMA | 1,565 | - | - | 1,565 |
| Section 5311/5309 | <u>171,363</u> | <u>-</u> | <u>-</u> | <u>171,363</u> |
| Total investment in general fixed assets | <u>\$ 212,025</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 212,025</u> |

Independent Accountant's Report on Applying Agreed-Upon Procedures

The Board of Directors
Vermilion Council on Aging, Inc.
Abbeville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Vermilion Council on Aging, Inc. and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Vermilion Council on Aging, Inc.'s compliance with certain laws and regulations during the year ended June 30, 2019 included in the *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Obtain documentation for all expenditures made during the year for material and supplies exceeding \$30,000, and public works exceeding \$157,700. Compare the documentation for these expenditures to Louisiana Revised Statute (R.S.) 39:1551-39:1755 (the state procurement code) or R.S. 38:2211-2296 (the public bid law), whichever is applicable; and report whether the expenditures were made in accordance with these laws.

There were no purchases of materials or supplies exceeding \$30,000, nor public works exceeding \$150,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the ethics law).

During the fiscal year, GOEA took over the agency. This procedure is not applicable for the year ended June 30, 2019.

3. Obtain a list of all employees paid during the fiscal year.

During the fiscal year, GOEA took over the agency. This procedure is not applicable for the year ended June 30, 2019.

4. Report whether any employees' names appear on both lists obtained in Procedures 2 and 3.

During the fiscal year, GOEA took over the agency. This procedure is not applicable for the year ended June 30, 2019.

5. Obtain a list of all disbursements made during the year; and a list of outside business interests of board members, employees, and board members' and employees' immediate families. Report whether any vendors appear on both lists.

During the fiscal year, GOEA took over the agency and the board of directors dissolved. This procedure is not applicable for the year ended June 30, 2019.

Budgeting

6. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget. There were no amendments noted.

7. Trace documentation for the adoption of the budget and approval of any amendments to the minute book, and report whether there are any exceptions.

We traced the adoption of the original budget to the minutes of a meeting which indicated that the budgets had been adopted.

8. Compare the revenues and expenditures of the final budget to actual revenues and expenditures. Report whether actual revenues failed to meet budgeted revenues by 5% or more, and whether actual expenditures exceeded budgeted amounts by 5% or more. (For agencies that must comply with the Licensing Agency Budget Act only, compare the expenditures of the final budget to actual expenditures, and report whether actual expenditures exceeded budgeted amounts by 10% or more per category or 5% or more in total).

We compared the revenues and expenditures of the final budget to actual revenues and expenditures and found that the budget exceeded the threshold variance when compared to actual revenues and expenditures.

Accounting and Reporting

9. Obtain the list of all disbursements made during the fiscal year. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All of the payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approval.

Meetings

10. Obtain evidence from management to support that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 through 42:28 (the open meetings law); and report whether there are any exceptions.

A notice of each meeting and the accompanying agenda is posted on the door of the meeting place.

Debt

11. Obtain bank deposit slips for the fiscal year, and scan the deposit slips in order to identify and report whether there are any deposits that appear to be proceeds of bank loans, bonds, or like indebtedness. If any such proceeds are identified, obtain from management evidence of approval by the State Bond Commission, and report any exceptions.

We scanned detail of cash and revenue noting deposits received during fiscal year end. We noted one instance of possible debt that was properly recorded.

Advances and Bonuses

12. Obtain the list of payroll disbursements and meeting minutes of the governing board, if applicable. Scan these documents to identify and report whether there are any payments or approval of payments to employees that may constitute bonuses, advances, or gifts.

We inspected payroll records for the year and note no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

State Audit Law

13. Report whether the agency provided for a timely report in accordance with R.S. 24:513.

The agency provided for a timely report.

14. Inquire of management and report whether the agency entered into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

No such contracts entered into by the agency.

15. Obtain and report management's representation as to whether any prior-year suggestions, recommendations, and/or comments have been resolved.

Management has resolved the prior year findings related to late filing of financial report, internal controls over reconciliations, segregation of accounting functions, and failure to maintain records.

We were not engaged to, and did not; conduct an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Vermilion Council on Aging, Inc. and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
December 17, 2019

VERMILION COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

2019-001 Budget Variances

Condition: The Council did not comply with the budget policy.

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

Cause: The Council failed to adequately amend the budget for the General Fund at the end of fiscal year June 30, 2019.

Effect: Inaccurate budgeting counters fiscal responsibility.

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

2019-002 Late Submission of Payroll Reports and Payment of Payroll Liabilities

Condition: The Council did not file payroll reports or pay payroll liabilities on time for the year ended June 30, 2019.

Criteria: The Council is responsible for filing payroll tax returns and remitting payroll liabilities by the due date.

Cause: The Council failed to ensure reports were filed and outstanding balances were paid timely.

Effect: Not filing payroll tax returns on time or paying related payroll liabilities can result in public funds being spent unnecessarily for penalties and interest charges.

Recommendation: The Council should develop and implement written policies and procedures to ensure payroll reports are filed on time and payroll related liabilities are remitted timely.

VERMILION COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2019

- 2018-001 Finding: Budget Variances
Status: This finding is unresolved. See finding 2019-001.
- 2018-002 Finding: Late Submission of the Audited Financial Statements
Status: This finding is resolved.
- 2018-003 Finding: Late Submission of Payroll Reports and Payment of Payroll Liabilities
Status: This finding is unresolved. See finding 2019-002.
- 2018-004 Finding: Internal Controls over Reconciliations
Status: This finding is resolved.
- 2018-005 Finding: Segregation of Accounting Functions
Status: This finding is resolved.
- 2018-006 Finding: Failure to Maintain Records
Status: This finding is resolved.

VERMILION COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2019

Response to Finding: **2019-001 Budget Variances**

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

Response to Finding: **2019-002 Late Submission of Payroll Reports and Payment of Payroll Liabilities**

The Council will implement policies and procedures to ensure payroll reports are filed on time and payroll related liabilities remitted timely.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Agencies)

12-19-2019 (Date Transmitted)

Darnall, Sikes & Frederick (CPA Firm Name)
P.O. Drawer 1048 (CPA Firm Address)
Eunice, LA 70535 (City, State Zip)

In connection with your engagement to apply agreed-upon procedures to the control and compliance matters identified below, as of June 30, 2019 (date) and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you.

Federal, State, and Local Awards

We have detailed for you the amount of federal, state, and local award expenditures for the fiscal year, by grant and grant year.

Yes No []

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and local grantor officials.

Yes No []

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No []

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the OMB Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No []

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by R.S. 42:11 through 42:28 (the open meetings law). **Note: Please refer to Attorney General Opinion No. 13-0043 and the guidance in the publication "[Open Meeting FAQs](#)," available on the Legislative Auditor's website to determine whether a non-profit agency is subject to the open meetings law.**

Yes No []

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No []

Reporting

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes No []

We did not enter into any contracts that utilized state funds as defined in R.S. 39:72.1 A. (2); and that were subject to the public bid law (R.S. 38:2211, et seq.), while the agency was not in compliance with R.S. 24:513 (the audit law).

Yes [] No []

We have complied with R.S. 24:513 A. (3) regarding disclosure of compensation, reimbursements, benefits and other payments to the agency head, political subdivision head, or chief executive officer.

Yes [] No []

Prior-Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes [] No []

General

We are responsible for our compliance with the foregoing laws and regulations and the internal controls over compliance with such laws and regulations.

Yes [] No []

We have evaluated our compliance with these laws and regulations prior to making these representations.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations.

Yes [] No []

We have made available to you all records that we believe are relevant to the foregoing agreed-upon procedures.

Yes [] No []

We have provided you with any communications from regulatory agencies, internal auditors, other independent practitioners or consultants or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of your report.

Yes [] No []

We will disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance that may occur up to the date of your report.

Yes [] No []

The previous responses have been made to the best of our belief and knowledge.

Shannon Board Secretary 12-19-19 Date

Treasurer _____ Date

President _____ Date