

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

Financial Report

Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc., as of and for the year ended June 30, 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***

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc. as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

#### ***Other Information***

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we also issued a report dated January 10, 2020, on our consideration of the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and compliance.

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

January 10, 2020

**GOVERNMENT WIDE FINANCIAL STATEMENTS**

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Net Position  
June 30, 2019

	Primary Government		Total
	Governmental Activities	Business Type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,400	\$ 134,978	\$ 136,378
Accounts receivable	1,727	3,179	4,906
Grants and contracts receivables	24,909	-	24,909
Due from other funds	416,108	61,607	477,715
Other assets	1,916	-	1,916
Capital assets, net of accumulated depreciation	<u>450,720</u>	<u>181,001</u>	<u>631,721</u>
Total Assets	<u>896,780</u>	<u>380,765</u>	<u>1,277,545</u>
<b>LIABILITIES</b>			
Cash overdraft	88,587	-	88,587
Accounts payable	312,549	-	312,549
Accrued payroll	10,458	-	10,458
Other payables	1,169	2,400	3,569
Compensated absences payable	39,859	-	39,859
Due to other funds	61,607	416,108	477,715
Long-term liabilities:			
Current portion	82,577	9,172	91,749
Non-current portion	<u>145,153</u>	<u>6,985</u>	<u>152,138</u>
Total Liabilities	<u>741,959</u>	<u>434,665</u>	<u>1,176,624</u>
<b>NET POSITION</b>			
Invested in capital assets, net of debt	297,990	164,844	462,834
Restricted for:			
Title III C-1	20,576	-	20,576
MIPPA	7,606	-	7,606
Unrestricted	<u>(171,351)</u>	<u>(218,744)</u>	<u>(390,095)</u>
Total Net Position	<u>\$ 154,821</u>	<u>\$ (53,900)</u>	<u>\$ 100,921</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Activities  
Year Ended June 30, 2019

<u>Function/Programs</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
<b>Primary Government</b>		
<b>Governmental Activities</b>		
<b>Health, Welfare &amp; Social Services:</b>		
Supportive services:		
Homemaker	\$ 97,501	\$ 23,517
Information and assistance	16,794	4,051
Legal assistance	29,986	7,233
Outreach	28,175	6,796
Other sub-priority services	29,588	7,137
Transportation	376,607	90,839
Nutrition services:		
Congregate meals	96,580	44,153
Home delivered meals	500,767	149,580
Disease prevention & health promotion	49,074	9,347
National family caregiver support	79,128	15,072
Long-term care ombudsman	87,708	-
Prescription assistance	106,749	-
Utility assistance	1,069	-
Multi-purpose senior centers	254,257	-
Administration	439,054	(357,724)
Total governmental activities	<u>2,193,036</u>	<u>-</u>
<b>Business-Type Activities</b>		
Bingo	3,283,906	-
Bingeaux Café	944	-
Total business-type activities	<u>3,284,850</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 5,477,886</u>	<u>\$ -</u>



Charges for Services	Program Revenues		Net (Expense) Revenue and Increases (Decreases) in Net Position		Total
	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	
\$ -	\$ 48,638	\$ -	\$ (72,380)	\$ -	\$ (72,380)
-	8,378	-	(12,467)	-	(12,467)
-	14,958	-	(22,260)	-	(22,260)
-	14,055	-	(20,916)	-	(20,916)
-	14,760	-	(21,965)	-	(21,965)
-	187,870	-	(279,575)	-	(279,575)
1,136	160,173	-	20,576	-	20,576
30,373	473,123	-	(146,851)	-	(146,851)
-	11,350	-	(47,071)	-	(47,071)
-	60,869	-	(33,331)	-	(33,331)
-	76,214	-	(11,494)	-	(11,494)
-	113,240	-	6,491	-	6,491
-	862	-	(207)	-	(207)
41,927	-	-	(212,330)	-	(212,330)
-	81,330	-	-	-	-
<u>73,436</u>	<u>1,265,821</u>	<u>-</u>	<u>(853,779)</u>	<u>-</u>	<u>(853,779)</u>
3,586,343	-	-	-	302,437	302,437
<u>23,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,276</u>	<u>22,276</u>
<u>3,609,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>324,713</u>	<u>324,713</u>
<u>\$ 3,682,999</u>	<u>\$ 1,265,821</u>	<u>\$ -</u>	<u>\$ (853,779)</u>	<u>\$ 324,713</u>	<u>(529,066)</u>
General Revenues:					
Grants and contributions not restricted to specific programs			340,883	-	340,883
Unrestricted investment income			3	-	3
Miscellaneous			48,142	-	48,142
Transfers			<u>530,896</u>	<u>(530,896)</u>	<u>-</u>
Total general revenues and transfers			<u>919,924</u>	<u>(530,896)</u>	<u>389,028</u>
Increase (decrease) in net assets			66,145	(206,183)	(140,038)
Net position - beginning of the year			<u>88,676</u>	<u>152,283</u>	<u>240,959</u>
Net position - end of the year			<u>\$ 154,821</u>	<u>\$ (53,900)</u>	<u>\$ 100,921</u>

The accompanying notes are an integral part of this statement.

**FUND FINANCIAL STATEMENTS**

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,400	\$ -	\$ -	\$ -	\$ 1,400
Accounts receivable	1,727	-	-	-	1,727
Grants and contracts receivable	24,909	-	-	-	24,909
Due from other funds	416,108	-	-	-	416,108
Other assets	1,916	-	-	-	1,916
Total Assets	<u>\$ 446,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 446,060</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Cash overdraft	\$ 88,587	\$ -	\$ -	\$ -	\$ 88,587
Accounts payable	312,549	-	-	-	312,549
Accrued payroll	10,458	-	-	-	10,458
Other payables	1,169	-	-	-	1,169
Due to other funds	61,607	-	-	-	61,607
Total Liabilities	<u>474,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,783</u>
<b>FUND BALANCES</b>					
Restricted for:					
Title III C-1	20,576	-	-	-	20,576
MIPPA	7,606	-	-	-	7,606
Unassigned	(56,492)	-	-	-	(56,492)
Total Fund Balances	<u>(28,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,310)</u>
Total Liabilities and Fund Balances	<u>\$ 446,060</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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

-Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds	\$ 450,720
-Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds	(227,730)
-Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	<u>(39,859)</u>
Net position of governmental activities	<u>\$ 154,821</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

Year Ended June 30, 2019

	General Fund	Title III B	Title III C-2	Non-Major Funds	Total
<b>REVENUES</b>					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 262,705	\$ 154,733	\$ 330,514	\$ 496,015	\$ 1,243,967
LA Department of Insurance	-	-	-	14,695	14,695
LA Department of Transportation & Development	-	107,571	-	-	107,571
Calcasieu Parish Police Jury	25,872	-	100,000	-	125,872
City of Sulphur	28,500	-	-	-	28,500
Public support:					
Contributions - unrestricted	18,881	-	-	1,136	20,017
United Way of Southwest Louisiana	-	25,500	40,000	-	65,500
Utility company assistance programs	-	-	-	862	862
Client contributions	41,927	537	30,373	-	72,837
Interest and other income	3	-	-	-	3
Local and miscellaneous	48,142	319	-	-	48,461
Total Revenues	<u>426,030</u>	<u>288,660</u>	<u>500,887</u>	<u>512,708</u>	<u>1,728,285</u>
<b>EXPENDITURES</b>					
Health, Welfare, & Social Services					
Current:					
Salaries	92,980	352,380	198,837	295,677	939,874
Fringe	12,212	30,367	15,512	23,296	81,387
Travel	89	5,316	292	4,975	10,672
Operating services	132,100	126,409	78,363	66,849	403,721
Operating supplies	64,351	51,498	34,796	17,462	168,107
Other costs	-	18,833	-	3,567	22,400
Full service contracts	-	85,848	322,547	75,757	484,152
Meals	12,800	-	-	228	13,028
Utility assistance	-	-	-	1,069	1,069
Capital outlay	10,417	47,571	-	-	57,988
Debt service - principal and interest	7,889	-	-	-	7,889
Total Expenditures	<u>332,838</u>	<u>718,222</u>	<u>650,347</u>	<u>488,880</u>	<u>2,190,287</u>
Excess (deficiency) of revenues over expenditures	<u>93,192</u>	<u>(429,562)</u>	<u>(149,460)</u>	<u>23,828</u>	<u>(462,002)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	559,078	429,562	149,460	93,218	1,231,318
Operating transfers out	<u>(583,376)</u>	<u>-</u>	<u>-</u>	<u>(117,046)</u>	<u>(700,422)</u>
Total other financing sources (uses)	<u>(24,298)</u>	<u>429,562</u>	<u>149,460</u>	<u>(23,828)</u>	<u>530,896</u>
Excess (Deficiency) of revenues and other sources over expenditures and other (uses)	68,894	-	-	-	68,894
<b>FUND BALANCES</b>					
Beginning of the year	<u>(97,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(97,204)</u>
End of the year	<u>\$ (28,310)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,310)</u>

The accompanying notes are an integral part of this statement.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

Net increase in fund balances - total governmental funds	\$ 68,894
Reconciling items:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$57,988) exceeds depreciation (\$52,885) in the current period.	5,103
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 exceed debt proceeds.	7,889
Compensated absences is reported as an expense in the statement of activities, but as they do not require the use of current financial resources, they are not reported as expenditures in governmental funds	<u>(15,741)</u>
Increase in net assets of governmental activities	<u>\$ 66,145</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Net Position  
Proprietary Funds  
June 30, 2019

	Business-type Activities Enterprise Funds		Total
	Bingo Account	Bingeaux Café	
<b>ASSETS</b>			
Current assets:			
Cash	\$ 134,978	\$ -	\$ 134,978
Miscellaneous receivable	3,179	-	3,179
Due from other funds	-	61,607	61,607
Total current assets	138,157	61,607	199,764
Noncurrent assets:			
Capital assets			
Equipment	96,408	58,720	155,128
Furniture and fixtures	26,690	-	26,690
Building improvements	291,898	10,942	302,840
Land improvements	136,048	-	136,048
Less: accumulated depreciation	(371,289)	(68,416)	(439,705)
Property and equipment, net	179,755	1,246	181,001
Total assets	\$ 317,912	\$ 62,853	\$ 380,765
<b>LIABILITIES</b>			
Current liabilities:			
Other payables	2,400	-	2,400
Current portion of note payable	4,286	-	4,286
Current portion of capital lease payable	4,886	-	4,886
Due to other funds	416,108	-	416,108
Total current liabilities	427,680	-	427,680
Long term liabilities:			
Note payable	5,631	-	5,631
Capital lease payable	1,354	-	1,354
Total long-term liabilities	6,985	-	6,985
Total liabilities	434,665	-	434,665
<b>NET POSITION</b>			
Invested in capital assets, net of debt	163,598	1,246	164,844
Unrestricted	(280,351)	61,607	(218,744)
Total Net Position	\$ (116,753)	\$ 62,853	\$ (53,900)

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net Position  
 Proprietary Funds  
 Year Ended June 30, 2019

	Bingo Account	Bingeaux Café	Total
<b>OPERATING REVENUES:</b>			
Charges for sales and services	\$ 3,292,943	\$ 23,220	\$ 3,316,163
Rental income	293,400	-	293,400
Total operating revenue	<u>3,586,343</u>	<u>23,220</u>	<u>3,609,563</u>
<b>OPERATING EXPENSE</b>			
Cost of sales and services	2,701,821	-	2,701,821
Salaries	315,040	-	315,040
Fringe	27,459	-	27,459
Operating services	154,055	-	154,055
Operating supplies	36,068	-	36,068
Other costs	19,671	-	19,671
Meals	639	-	639
Depreciation	20,697	944	21,641
Total operating expenses	<u>3,275,450</u>	<u>944</u>	<u>3,276,394</u>
Operating income	310,893	22,276	333,169
<b>NONOPERATING REVENUE (EXPENSES)</b>			
Loss on disposal of fixed assets	-	-	-
Interest expense	(8,456)	-	(8,456)
Total nonoperating expenses	<u>(8,456)</u>	<u>-</u>	<u>(8,456)</u>
Income before transfers	302,437	22,276	324,713
Transfers out	(530,896)	-	(530,896)
Net transfers	<u>(530,896)</u>	<u>-</u>	<u>(530,896)</u>
Change in net assets	(228,459)	22,276	(206,183)
Net position, beginning	<u>111,706</u>	<u>40,577</u>	<u>152,283</u>
Net position, ending	<u>\$ (116,753)</u>	<u>\$ 62,853</u>	<u>\$ (53,900)</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Cash Flows  
 Proprietary Funds  
 Year Ended June 30, 2019

	Business-type Activities -		Total
	Enterprise Funds		
	Proprietary Fund Types		
	Bingo	Bingeaux	
	Account	Café	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 3,584,622	\$ -	\$ 3,584,622
Cash payments for cost of sales and prizes	(2,701,821)	-	(2,701,821)
Cash payments to suppliers for goods and services	(210,433)	-	(210,433)
Cash payments to employees and professional contractors for services	(342,499)	-	(342,499)
Net cash provided (used) by operating activities	<u>329,869</u>	<u>-</u>	<u>329,869</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Due to other funds	235,543	-	235,543
Transfers out	(530,896)	-	(530,896)
Net cash used by noncapital financing activities	<u>(295,353)</u>	<u>-</u>	<u>(295,353)</u>
<b>CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES</b>			
Principal paid on capital debt	(7,974)	-	(7,974)
Payment of interest	(8,456)	-	(8,456)
Net cash used by capital and capital related financing activities	<u>(16,430)</u>	<u>-</u>	<u>(16,430)</u>
Net increase in cash and cash equivalents	18,086	-	18,086
Cash beginning of year	<u>116,892</u>	<u>-</u>	<u>116,892</u>
Cash end of year	<u>\$ 134,978</u>	<u>\$ -</u>	<u>\$ 134,978</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income	310,893	22,276	333,169
Add depreciation expense	20,697	944	21,641
(Increase) decrease in current assets:			
Miscellaneous receivable	(1,721)	(23,220)	(24,941)
Net cash provided by operating activities	<u>\$ 329,869</u>	<u>\$ -</u>	<u>\$ 329,869</u>

The accompanying notes are an integral part of this statement



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Fiduciary Net Position-  
Fiduciary Fund  
Year Ended June 30, 2019

	<u>Progressive Jackpot</u>
<b>ASSETS</b>	
Cash	\$ 123,400
Total Assets	<u>\$ 123,400</u>
<b>NET POSITION</b>	
Held in trust for payment to progressive game winners	<u>\$ 123,400</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Changes in Fiduciary Net Position-  
Fiduciary Fund  
Year Ended June 30, 2019

	<u>Progressive Jackpot</u>
<b>ADDITIONS</b>	
Deposits by session participants	\$ 138,600
Additional required deposits	<u>-</u>
Total additions	<u>138,600</u>
<b>DEDUCTIONS</b>	
Payments to game winners	<u>133,700</u>
Total deductions	<u>133,700</u>
Change in net assets	4,900
Net position - July 1, 2018	<u>118,500</u>
Net position - June 30, 2019	<u><u>\$ 123,400</u></u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

C. Presentation of Statements

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

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

D. Basic Financial Statements – Government-Wide Statements

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

E. Basic Financial Statements - Fund Financial Statements

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

**PCOA (Act 735)** funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). In fiscal year 2019, the Council received this grant money into its General Fund and management transferred all \$86,255 of the PCOA funds to the Title III B Supportive Services Fund to help pay for program expenditures of that fund.

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

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

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Major Special Revenue Funds

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

	<u>Units</u>
Homemaker	2,142
Information and assistance	1,430
Transportation	4,221
Legal assistance	128
Outreach	448
Medical alert	58
Recreation	32,405
Utility assistance	388
Material Aid	709

The three main sources of revenue received this year that form the basis of this fund is a grant the Council received from GOEA for Special Programs for the Aging \_ Title III, Part B Supportive Services (\$154,733), funding received from Louisiana Department of Transportation (\$107,571) and restricted, voluntary contributions from the public (\$26,037), including those people who actually received transportation and homemaker services.

The **Title III C-2 Fund** is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 107,152 meals and also provided 138 unites of nutritional education during the year to people eligible to participate in this program.

There were three main sources of revenue received this year that form the basis of this fund: Grants from GOEA for Special Programs for the Aging \_ Title III, Part C-2 Nutrition Services (\$330,514), grants from Calcasieu Parish Police Jury (\$100,000), and restricted, voluntary contributions from the public (\$70,373), including those persons actually receiving home-delivered meal services.

Non-Major Special Revenue Funds

**Title III C-1 Fund** receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2019, the Council served about 12,065 congregate meals and also provided 112 units of nutritional education to eligible participants.



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

There was one main source of revenue received this year that forms the basis of this fund: Grants from GOEA for Special Programs for the Aging \_ Title III, Part C-1 Nutrition Services (\$160,173).

**The Title III D Fund** is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 140 units of Health Promotion and Disease Prevention services were provided to eligible participants in this program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for Special Programs for the Aging \_ Title III, Part D \_ Disease Prevention and Health Promotion Services (\$11,350).

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

	<u>Units</u>
Information and assistance	66
Outreach	46
Material aid	189
In-home respite	1,473
Support group	224
Public education	55
Sitter	162

The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA for the Title III, Part E \_ National Family Caregivers Support Program (\$62,289).

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Business – Type Funds

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

The following enterprise funds are utilized by the Council:

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

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

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

The following funds are fiduciary funds:

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

F. Measurement Focus and Basis of Accounting

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Modified Accrual Basis – Fund Financial Statements (FFS):

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

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

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

I. Receivables

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

J. Inventory

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

K. Prepaid Expenses/Expenditures

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

For purposes of presenting prepaid expenses in the government-wide statements, the Council will follow the same policy it uses to record prepaid expenditures in the fund financial statements with one exception. Disbursements made as "matching" payments to acquire vehicles that will be titled to another government are recorded as a prepaid expense and amortized in the Statement of Net position to better present the 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.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

L. Capital Assets

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

Government-Wide Financial Statements

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

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

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

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

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

M. Non-Current (Long-term) Liabilities

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

N. Unpaid Compensated Absences

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

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

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

O. Deferred Revenues

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

P. Net Position in the Government-wide Financial Statements

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

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Council had \$152,730 in borrowings that were related to capital assets.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Q. Fund Equity – Fund Financial Statements

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

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



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

R. Management's Use of Estimates

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

S. Allocation of Indirect Expenses

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

T. Elimination and Reclassifications

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

U. Subsequent Events

Management has evaluated subsequent events through January 10, 2020, the date the financial statements were available to be issued. There were no events that required disclosure.

NOTE 2 REVENUE RECOGNITION

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

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

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

NOTE 3 CASH MANAGEMENT AND DEPOSITS

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$47,791 (net of cash overdraft), whereas the related bank balances totaled \$177,981. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
JP Morgan Chase Bank	\$ 753	\$ 753	None	Demand	Category 1
First Federal	20,521	20,521	None	Demand	Category 1
Petty Cash	26,517	26,517	None	N/A	None
Total Cash	<u>\$ 47,791</u>	<u>\$ 47,791</u>			

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2019 consist of the following:

	General	Proprietary
Other	\$ 1,727	\$ 3,179
	<u>\$ 1,727</u>	<u>\$ 3,179</u>

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

Program	Fund	Provider	Amount
<u>Governmental Funds</u>			
Miscellaneous	General	City of Sulphur	\$ 2,375
Miscellaneous	General	City of Westlake	10,000
Miscellaneous	General	CPPJ	8,333
Miscellaneous	General	Ward I Rec	1,938
Miscellaneous	General	MIPPA	220
Miscellaneous	General	SHIP	2,043
			<u>\$ 24,909</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 INTERFUND RECEIVABLES AND PAYABLES

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

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 416,108	\$ 61,607
Proprietary Funds:		
Bingo	-	416,108
Bingeaux Café	61,607	-
Total	<u>\$ 477,715</u>	<u>\$ 477,715</u>

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

Capital Assets	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Building improvements	302,840	-	-	302,840
Equipment	323,729	-	-	323,729
Furniture & equipment	26,691	2,022	-	28,713
Land improvements	136,048	-	-	136,048
Vehicles	158,109	55,966	-	214,075
Subtotals	<u>1,515,897</u>	<u>57,988</u>	<u>-</u>	<u>1,573,885</u>
Less accumulated depreciation:	<u>(1,055,738)</u>	<u>(74,526)</u>	<u>-</u>	<u>(1,130,264)</u>
	<u>(1,055,738)</u>	<u>(74,526)</u>	<u>-</u>	<u>(1,130,264)</u>
Land	<u>188,100</u>	<u>-</u>	<u>-</u>	<u>188,100</u>
Net capital assets - governmental activities	<u>\$ 648,259</u>	<u>\$ (16,538)</u>	<u>\$ -</u>	<u>\$ 631,721</u>

Depreciation was charged to governmental activities totaling \$52,885 as administration expense and to proprietary funds totaling \$21,641 for the year ended June 30, 2019.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 GOVERNMENTAL ACTIVITIES – LONG TERM DEBT

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

	July 1, 2018	Principal		June 30, 2019	Due Within One Year
		Additions	Reductions		
Line of credit	\$ 75,000	\$ 360,000	\$ (360,000)	\$ 75,000	\$ 75,000
Note Payable	160,619	-	(7,889)	152,730	7,577
Compensated absences payable	24,118	20,504	(4,763)	39,859	39,859
Totals	<u>\$ 259,737</u>	<u>\$ 380,504</u>	<u>\$ (372,652)</u>	<u>\$ 267,589</u>	<u>\$ 122,436</u>

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

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

Revolving line of credit, First Federal Bank, due April 25, 2020, interest payable monthly, bearing interest at 7.5% per annum. The line of credit is collateralized by land and a building.	\$ 75,000
Mortgage payable to First Federal Bank, original amount of \$161,643, due in 180 monthly installments of \$1,350 with a maturity date of April 2, 2033, bearing interest at 5.75%, collateralized by land and a building.	152,730
	<u>\$ 227,730</u>

The annual requirements to amortize all debt outstanding at June 30, 2019, including interest payments of \$68,610 are as follows:

Governmental		
Year Ending June 30,	Principal	Interest
2020	\$ 82,577	\$ 8,619
2021	8,024	8,172
2022	8,498	7,698
2023	9,000	7,196
2024	9,531	6,665
2025-2029	56,791	24,190
2030-2033	53,309	6,070
	<u>\$ 227,730</u>	<u>\$ 68,610</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT

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

	July 1, 2018	Principal		June 30, 2019	Due Within One Year
		Additions	Reductions		
Note payable	\$ 13,758	\$ -	\$ (3,841)	\$ 9,917	\$ 4,286
Capital lease	<u>10,373</u>	<u>-</u>	<u>(4,133)</u>	<u>6,240</u>	<u>4,886</u>
Totals	<u>\$ 24,131</u>	<u>\$ -</u>	<u>\$ (7,974)</u>	<u>\$ 16,157</u>	<u>\$ 9,172</u>

See Note 19 for further information on capital lease payable.

Note payable consists of the following:

Note payable to US Bank Equipment Finance, original amount of \$19,975, due in 60 monthly installments of \$430 with a maturity date of August 9, 2021, bearing interest at 11.01%, collateralized by equipment.	\$ 9,917
Less: current maturities of long-term debt	<u>(4,286)</u>
	<u>\$ 5,631</u>

The annual requirements to amortize the note payable at June 30, 2019 is as follows:

Year Ending June 30,	Principal	Interest
2020	\$ 4,286	\$ 880
2021	4,782	384
2022	<u>849</u>	<u>12</u>
Totals	<u>\$ 9,917</u>	<u>\$ 1,276</u>

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS (CONTINUED)

The Council has assets which are restricted in their application by virtue of the donor's intention or commitments already entered into by the Council. These amounts are also reported as restricted fund balance. Other restricted assets arise because of gifts solicited and collected for a specific purpose by the Council. Other assets are restricted by the terms and nature of the grant. Finally, some assets represent "deposits" pledged to confirm the Council's intentions with respect to certain projects. Related accumulated income is included in some of the restricted balances. Restricted fund balances consisted of: Title III C-1 in the amount of \$20,576 and MIPPA in the amount of \$7,606.

NOTE 11 IN-KIND CONTRIBUTIONS

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

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

<u>Governmental Funds</u>	<u>Operating Services</u>	<u>Operating Supplies</u>	<u>Rent</u>	<u>Total In-Kind</u>
Senior Centers	\$ 7,800	\$ 57,700	\$ 283,000	\$ 348,500
III C-1 Congregate Meals	26,900	-	77,100	104,000
III E Caregiver	375	-	-	375
III B Supportive Services	2,000	26,025	-	28,025
	<u>\$ 37,075</u>	<u>\$ 83,725</u>	<u>\$ 360,100</u>	<u>\$ 480,900</u>

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

NOTE 12 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 13 INCOME TAX STATUS

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 13 INCOME TAX STATUS (CONTINUED)

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

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

NOTE 14 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 15 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

NOTE 16 ECONOMIC DEPENDENCY

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

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



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 17 RISK MANAGEMENT

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

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

NOTE 18 CHANGES IN FIDUCIARY FUNDS

Progressive Jackpot

Balance June 30, 2018	\$	118,500
Additions		138,600
Reductions		<u>(133,700)</u>
Balance June 30, 2019	\$	<u>123,400</u>

NOTE 19 OPERATING & CAPITAL LEASES

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

	Monthly Payments	Number of Months	Date Lease Originated
(2) Digital copiers	\$ 652	36	4/30/2018
(3) Digital copiers	207	60	1/25/2013
(1) Vehicle	624	36	11/20/2016
(1) Vehicle	497	36	11/20/2016
(1) Vehicle	497	36	11/20/2016
(1) Vehicle	664	36	12/15/2019

Future minimum payments by year and in the aggregate, under these operating leases consist of the following at June 30, 2019:

Year Ending June 30,	Great Am. Digital Copiers	Ford Credit Vehicles	Totals
2020	\$ 7,821	\$ 11,125	\$ 18,946
2021	5,866	7,971	13,836
2022	-	7,971	7,971
2023	-	<u>3,321</u>	<u>3,321</u>
Totals	<u>\$ 13,687</u>	<u>\$ 30,387</u>	<u>\$ 44,074</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 OPERATING & CAPITAL LEASES (CONTINUED)

Lease expense totaled \$51,332 for the year ended June 30, 2019, which includes other incidental lease payments.

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

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

Year Ending June 30,	Principal	Interest
2020	\$ 4,886	\$ 686
2021	1,354	38
Totals	<u>\$ 6,240</u>	<u>\$ 724</u>

NOTE 20 INTERFUND TRANSFERS

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

	Funds transferring in:				
	General Fund	Title III B	Title III C-2	Title III D	Title III E
<u>Funds transferring out:</u>					
Governmental Funds:					
General Fund	\$ -	\$ 429,562	\$ 60,596	\$ 47,071	\$ 33,331
Special Revenue:					
Title III C-1	20,576	-	-	-	-
NSIP	-	-	88,864	-	-
MIPPA	7,606	-	-	-	-
Proprietary Funds:					
Bingo	530,896	-	-	-	-
Total	<u>\$ 559,078</u>	<u>\$ 429,562</u>	<u>\$ 149,460</u>	<u>\$ 47,071</u>	<u>\$ 33,331</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 INTERFUND TRANSFERS (CONTINUED)

	Funds transferring in:			Totals
	SenioRx	Ombudsman	Energy Assistance	
<u>Funds transferring out:</u>				
Governmental Funds:				
General Fund	\$ 1,115	\$ 11,494	\$ 207	\$ 583,376
Special Revenue:				
Title III C-1	-	-	-	20,576
NSIP	-	-	-	88,864
MIPPA	-	-	-	7,606
Proprietary Funds:				
Bingo	-	-	-	530,896
Total	<u>\$ 1,115</u>	<u>\$ 11,494</u>	<u>\$ 207</u>	<u>\$ 1,231,318</u>

NOTE 21 RETIREMENT COMMITMENTS

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

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

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

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

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

Retirement expense totaled \$10,186 for the year ended June 30, 2019.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 DEFICIT FUND BALANCES

The General Fund had a deficit fund balance at June 30, 2019 in the amount of (\$28,310) and the Bingo Account had a deficit fund balance of (\$116,753). The Council has implemented a number of strategies to reduce the deficit, including cost cutting measures and pursuing additional revenues from local sources.

NOTE 23 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to director Jackie Green for the year ended June 30, 2019.

Purpose	
Salary	\$ 95,536
Benefits - retirement	<u>2,866</u>
Total	<u>\$ 98,402</u>

**SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34**

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.  
 Budgetary Comparison Schedule  
 General Fund  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ (97,204)	\$ (97,204)	\$ (97,204)	\$ -
Resources (inflows):				
Intergovernmental	262,705	262,705	317,077	54,372
Local and miscellaneous	26,219	26,231	108,953	82,722
Transfers in	541,531	541,531	559,078	17,548
Amounts available for appropriation	<u>733,251</u>	<u>733,263</u>	<u>887,904</u>	<u>154,642</u>
Charges to appropriations (outflows):				
Personnel	191,539	191,551	92,980	98,571
Fringe	18,176	18,176	12,212	5,964
Travel	2,172	2,172	89	2,083
Operating services	38,963	38,846	132,100	(93,254)
Operating supplies	38,073	38,190	64,351	(26,161)
Other costs	49,135	49,135	-	49,135
Meals	11,089	11,089	12,800	(1,712)
Debt service-principle and interest	104,019	104,019	7,889	96,130
Capital outlay	-	-	10,417	(10,417)
Transfers out	280,086	280,086	583,376	(303,291)
Total charges to appropriations	<u>733,251</u>	<u>733,263</u>	<u>916,214</u>	<u>(182,952)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (28,310)</u>	<u>\$ (28,310)</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.  
 Budgetary Comparison Schedule  
 Title III B  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	441,975	417,858	262,304	(155,554)
Local and miscellaneous	25,500	25,500	26,356	856
Transfers in	-	-	429,562	429,562
Amounts available for appropriation	<u>467,475</u>	<u>443,358</u>	<u>718,222</u>	<u>274,864</u>
Charges to appropriations (outflows):				
Personnel	239,743	215,626	352,380	(136,754)
Fringe	22,472	22,472	30,367	(7,895)
Travel	963	963	5,316	(4,353)
Operating services	86,733	86,733	126,409	(39,676)
Operating supplies	33,544	33,544	51,498	(17,954)
Other Costs	-	-	18,833	(18,833)
Full service contracts	84,020	84,020	85,848	(1,828)
Capital Outlay	-	-	47,571	(47,571)
Total charges to appropriations	<u>467,475</u>	<u>443,358</u>	<u>718,222</u>	<u>(274,864)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.  
 Budgetary Comparison Schedule  
 Title III C-2  
 Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	347,826	344,259	330,514	(13,745)
Local and miscellaneous	274,038	266,895	170,373	(96,522)
Transfers in	-	-	149,460	149,460
Amounts available for appropriation	<u>621,864</u>	<u>611,154</u>	<u>650,347</u>	<u>39,193</u>
Charges to appropriations (outflows):				
Personnel	198,905	188,195	198,837	(10,642)
Fringe	18,355	18,355	15,512	2,843
Travel	10,468	10,468	292	10,176
Operating services	70,820	70,820	78,363	(7,543)
Operating supplies	29,263	29,263	34,796	(5,533)
Full service contracts	<u>294,053</u>	<u>294,053</u>	<u>322,547</u>	<u>(28,494)</u>
Total charges to appropriations	<u>621,864</u>	<u>611,154</u>	<u>650,347</u>	<u>(39,193)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. During the fiscal year, management amended the Council's budget once at a board meeting in May 2019, using a similar procedure to the one used to approve the original budget. The adopted budget was rejected by GOEA because the budget packet failed to reflect efforts to reduce and eliminate the existing debt.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain compliance approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to "cover" the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large enough fund balance exists to absorb the budgeted operating deficit.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA**

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.  
Schedule of Non-Major Special Revenue Funds  
Year Ended June 30, 2019

	<u>Title III C-1</u>	<u>Title III D</u>	<u>Title III E</u>	<u>Ombudsman</u>	<u>N.S.I.P.</u>
<b>REVENUES</b>					
Intergovernmental:					
Governor's Office of Elderly Affairs	\$ 160,173	\$ 11,350	\$ 60,869	\$ 76,214	\$ 88,864
Louisiana Department of Insurance	-	-	-	-	-
Public Support:					
Contributions - unrestricted	1,136	-	-	-	-
Utility company assistance programs	-	-	-	-	-
 Total Revenues	 <u>161,309</u>	 <u>11,350</u>	 <u>60,869</u>	 <u>76,214</u>	 <u>88,864</u>
<b>EXPENDITURES</b>					
Health, Welfare, & Social Services					
Current:					
Salaries	69,155	32,677	37,102	73,048	-
Fringe	5,385	2,550	2,886	5,598	-
Travel	178	45	41	3,699	-
Operating services	22,034	20,648	12,206	4,777	-
Operating supplies	6,374	2,501	2,282	586	-
Other costs	1,533	-	-	-	-
Full service contracts	36,074	-	39,683	-	-
Meals	-	-	-	-	-
Utility assistance	-	-	-	-	-
 Total Expenditures	 <u>140,733</u>	 <u>58,421</u>	 <u>94,200</u>	 <u>87,708</u>	 <u>-</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>20,576</u>	 <u>(47,071)</u>	 <u>(33,331)</u>	 <u>(11,494)</u>	 <u>88,864</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	-	47,071	33,331	11,494	-
Operating transfers out	<u>(20,576)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(88,864)</u>
 Total Other Financing Sources (Uses)	 <u>(20,576)</u>	 <u>47,071</u>	 <u>33,331</u>	 <u>11,494</u>	 <u>(88,864)</u>
 Net Increase in Fund Balances	 -	 -	 -	 -	 -
<b>FUND BALANCES</b>					
Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

<u>SenioRx</u>	<u>Energy</u>	<u>MIPPA</u>	<u>Total</u>
\$ 89,345	\$ -	\$ 9,200	\$ 496,015
14,695	-	-	14,695
-	-	-	1,136
-	<u>862</u>	-	<u>862</u>
<u>104,040</u>	<u>862</u>	<u>9,200</u>	<u>512,708</u>
83,695	-	-	295,677
6,877	-	-	23,296
1,012	-	-	4,975
5,590	-	1,594	66,849
5,719	-	-	17,462
2,034	-	-	3,567
-	-	-	75,757
228	-	-	228
-	<u>1,069</u>	-	<u>1,069</u>
<u>105,155</u>	<u>1,069</u>	<u>1,594</u>	<u>488,880</u>
<u>(1,115)</u>	<u>(207)</u>	<u>7,606</u>	<u>23,828</u>
1,115	207	-	93,218
-	-	<u>(7,606)</u>	<u>(117,046)</u>
<u>1,115</u>	<u>207</u>	<u>(7,606)</u>	<u>(23,828)</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.  
 Comparative Schedule of General  
 Fixed Assets and Changes in General Fixed assets  
 Year Ended June 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
General fixed assets, at cost:				
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Land	188,100	-	-	188,100
Vehicles	158,109	55,966	#REF!	#REF!
Furniture and equipment	168,602	2,022	-	170,624
Totals	<u>\$ 1,083,291</u>	<u>\$ 57,988</u>	<u>#REF!</u>	<u>#REF!</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Local Funds	\$ 927,106	\$ 10,417	\$ -	\$ 937,523
DOTD	134,392	47,571	-	181,963
SenioRx	18,443	-	-	18,443
Title III-B Ombudsman	3,350	-	-	3,350
Totals	<u>\$ 1,083,291</u>	<u>\$ 57,988</u>	<u>\$ -</u>	<u>\$ 1,141,279</u>



**DARNALL SIKES  
& FREDERICK**  
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OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Calcasieu Parish Voluntary Council on the Aging, Inc., as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Calcasieu Parish Voluntary Council on the Aging, Inc.'s basic financial statements and have issued our report thereon dated January 10, 2020.

**Internal Control over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. They are shown as items 2019-003 and 2019-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency. This finding is shown as item 2019-005.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 and 2019-002.

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

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

### **Purpose of this Report**

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

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

*Dawall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana  
January 10, 2020



CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

**Part I Summary of Auditor's Results**

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements as of and for the year ended June 30, 2019.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

Two material weaknesses and one significant deficiency in internal control over financial reporting were disclosed during the audit of the financial statements. These findings are shown as items 2019-003 through 2019-005 in Part II below.

Material Noncompliance - Financial Reporting

There were two instances of noncompliance noted during the audit of the financial statements and are shown as items 2019-001 and 2018-002 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2019.

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

**2019-001**

**Budget Variances**

Condition:

The Council did not comply with the budget policy.

Criteria:

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

Cause:

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

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

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

**2019-002**

**Late Submission of the Audited Financial Statements**

Condition:

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

Criteria:

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

Cause:

During the year, the Council failed to consistently reconcile cash and aging reports to subsidiary ledgers and record interfund activity. Failure to perform these accounting functions created a need for additional, unforeseen audit procedures.

Effect:

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

Recommendation:

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

**2019-003**

**Reconciliation of Fund Balances and Interfund Activity**

Condition:

The Council failed to properly record prior year audit entries, reconcile beginning fund balances to prior year ending funding balances, and interfund activity was not properly recorded throughout the year.

Criteria:

To ensure the accuracy of financial reporting, approved audit adjustments should be posted to the general ledger, beginning fund balances should be reconciled to the prior year ending fund balances and interfund activity should be recorded through the use of transfers and due to/due from accounts.

Cause:

The Council did not record all prior year audit entries, reconcile fund balances at the beginning of the year, or use interfund accounts to record interfund activity.

Effect:

Failure to perform these accounting functions hinders accurate financial statements. In addition, it creates a greater risk of errors and fraud.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

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

Recommendation:

We recommend the Council seek assistance from its accounting software provider to ensure the software is fully integrated for the functions of the fund accounting. In addition, the Council should implement a process to closely monitor the recording and reconciliations involved in day-to-day accounting functions. Prior year audit entries should be posted to the general ledger.

2019-004

**Internal Controls Over Reconciliations**

Condition:

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

Criteria:

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

Cause:

The Council did not reconcile account balances consistently throughout the year to supporting documentation and failed to ensure expenses were being properly allocated amongst funds.

Effect:

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

Recommendation:

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

2019-005

**Credit Card Finance Charges Incurred**

Condition:

The Council incurred unnecessary late fees on its credit card.

Criteria:

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

Cause:

The Council failed to ensure outstanding balances were paid timely.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

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

Effect:

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

Recommendation:

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

**Part III Findings and Questioned Costs Relating to the Federal Programs**

At June 30, 2019, the Council did not meet the requirement to have a single audit in accordance with the *Uniform Guidance*, therefore this section is not applicable.

**Part IV Management Letter**

A management letter was issued for fiscal year ended June 30, 2019.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

2018-001 Budget Variances

Status: This finding is unresolved. See current year finding 2019-001.

2018-002 Late Submission of the Audited Financial Statements

Status: This finding is unresolved. See current year finding 2019-002.

2018-003 Use of Public Funds

Status: This finding has been resolved.

2018-004 Internal Controls over Reconciliations

Status: This finding is unresolved. See current year finding 2019-004.

2018-005 Unnecessary Credit Card Charges Incurred

Status: This finding is unresolved. See current year finding 2019-005.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

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

2019-001 Budget Variances

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

2019-002 Late Submission of the Audited Financial Statements

Management intends to correct these issues, and to provide adequate time for audit procedures to be performed in order to prevent a late audit submission in the future.

2019-003 Reconciliation of Fund Balances and Interfund Activity

Management intends to correct these issues and implement procedures to monitor the process of accounting functions.

2019-004 Internal Controls Over Reconciliations

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

2019-005 Credit Card Finance Charges Incurred

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



OTHER LOCATIONS:

Eunice    Morgan City    Abbeville

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by Calcasieu Council on Aging, Inc. (a nonprofit organization), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2018 through June 30, 2019. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

### *Written Policies and Procedures*

---

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 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.

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

**Board (or Finance Committee, if applicable)**

---

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

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

Obtained and reviewed minutes of the managing board for the fiscal period noting that the board did not meet in accordance with established legislation.



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

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

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

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

### ***Bank Reconciliations***

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No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

### ***Collections***

---

No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

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

---

No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

---

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

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

9. Using the listing prepared by management, randomly select 5 cards (or all cards if the entity has less than 5 cards) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the

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

Monthly statements were obtained and address the functions noted above.

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

Monthly statements were obtained and finance charges were assessed.

10. 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).

Several transactions were noted as having no documentation of the business/public purpose.

### ***Travel and Expense Reimbursement***

---

No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

### ***Contracts***

---

No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

### ***Payroll and Personnel***

---

No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

### ***Ethics (excluding nonprofits)***

---

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

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

No exceptions noted.

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

No exceptions noted.

*Debt Service (excluding nonprofits)*

---

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

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

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

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

*Other*

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No exceptions were noted during the fiscal year ended June 30, 2018 AUP engagement; therefore, this section was excluded from testing this fiscal year.

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

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

*Dannall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Lafayette, Louisiana

January 10, 2019



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



January 10, 2020

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

The following is management's response to the 2018-19 AUP report submitted for the Calcasieu Council on Aging, Inc.

BOARD OR FINANCE COMMITTEE

2. a) The board will begin meeting on a frequency in accordance with the board's enabling legislation, charter, bylaws or other equivalent document.
2. b) The board minutes going forward will reference or include monthly budget to actual comparisons of the general fund, major special revenue funds and major proprietary funds.
2. c) Board minutes will reference a formal plan to eliminate the negative unrestricted fund balance in the general fund.

CREDIT CARDS

9. b) Credit card policies and procedures including assessment of finance charges will be reviewed and enforced for compliance.
10. (2) Credit cards receipts will consist of written documentation of the business/public purpose.