

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

Financial Report

Year Ended June 30, 2020

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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, 2020, 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, 2020, 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 45 through 50 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 52 through 54 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 March 1, 2021, on our consideration of the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Calcasieu Parish Voluntary Council on the Aging, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

March 1, 2021

GOVERNMENT WIDE FINANCIAL STATEMENTS

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Government Wide Statement of Net Position
June 30, 2020

	Primary Government		Total
	Governmental Activities	Business Type Activities	
ASSETS			
Cash and cash equivalents	\$ 65,091	\$ 142,944	\$ 208,035
Accounts receivable	1,327	3,524	4,851
Grants and contracts receivables	136,347	-	136,347
Due from other funds	595,699	66,184	661,883
Other assets	1,916	-	1,916
Capital assets, net of accumulated depreciation	<u>399,677</u>	<u>170,232</u>	<u>569,909</u>
Total Assets	<u>1,200,057</u>	<u>382,884</u>	<u>1,582,941</u>
LIABILITIES			
Accounts payable	441,794	-	441,794
Accrued payroll	41,948	-	41,948
Other payables	1,169	2,400	3,569
Compensated absences payable	36,802	-	36,802
Due to other funds	66,184	595,699	661,883
Long-term liabilities:			
Current portion	83,024	6,137	89,161
Non-current portion	<u>137,407</u>	<u>849</u>	<u>138,256</u>
Total Liabilities	<u>808,328</u>	<u>605,085</u>	<u>1,413,413</u>
NET POSITION			
Invested in capital assets, net of debt	179,246	163,246	342,492
Restricted for:			
Title III C-1	94,081	-	94,081
MIPPA	9,557	-	9,557
Senior RX	3,438	-	3,438
Unrestricted	<u>105,407</u>	<u>(385,447)</u>	<u>(280,040)</u>
Total Net Position	<u>\$ 391,729</u>	<u>\$ (222,201)</u>	<u>\$ 169,528</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, 2020

	Direct Expenses	Indirect Expenses
Function/Programs		
Primary Government		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive services:		
Homemaker	\$ 67,894	\$ 30,388
Information and assistance	6,046	2,706
Legal assistance	8,027	3,593
Outreach	5,948	2,662
Other sub-priority services	4,092	1,832
Recreation	1,003	449
Transportation	355,700	159,206
Telephoning	2,855	1,278
Nutrition services:		
Congregate meals	89,599	42,623
Home delivered meals	608,454	194,780
Disease prevention & health promotion	21,550	18,896
National family caregiver support	80,684	28,573
Long-term care ombudsman	86,179	-
Prescription assistance	90,958	-
Utility assistance	1,401	-
Multi-purpose senior centers	270,879	-
Administration	614,323	(486,986)
Total governmental activities	2,315,593	-
Business-Type Activities		
Bingo	2,748,586	-
Bingeaux Café	1,368	-
Total business-type activities	2,749,954	-
Total Primary Government	\$ 5,065,547	\$ -

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	
\$ -	\$ 35,892	\$ -	\$ (62,390)	\$ -	\$ (62,390)
-	3,196	-	(5,556)	-	(5,556)
-	4,244	-	(7,377)	-	(7,377)
-	3,144	-	(5,466)	-	(5,466)
-	2,163	-	(3,760)	-	(3,760)
-	530	-	(922)	-	(922)
-	188,041	-	(326,865)	-	(326,865)
-	1,509	-	(2,623)	-	(2,623)
3,110	223,193	-	94,081	-	94,081
23,095	537,506	-	(242,633)	-	(242,633)
-	9,817	-	(30,629)	-	(30,629)
-	77,151	-	(32,106)	-	(32,106)
-	76,214	-	(9,965)	-	(9,965)
-	103,953	-	12,995	-	12,995
-	748	-	(653)	-	(653)
63,451	-	-	(207,428)	-	(207,428)
-	127,337	-	-	-	-
<u>89,656</u>	<u>1,394,640</u>	<u>-</u>	<u>(831,297)</u>	<u>-</u>	<u>(831,297)</u>
2,986,365	-	-	-	237,779	237,779
5,849	-	-	-	4,481	4,481
<u>2,992,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,260</u>	<u>242,260</u>
<u>\$ 3,081,870</u>	<u>\$ 1,394,640</u>	<u>\$ -</u>	<u>\$ (831,297)</u>	<u>\$ 242,260</u>	<u>(589,037)</u>
General Revenues:					
Grants and contributions not restricted to specific programs			378,691	-	378,691
Paycheck Protection Program grant income			228,550	-	228,550
Miscellaneous			50,403	-	50,403
Transfers			410,561	(410,561)	-
Total general revenues and transfers			<u>1,068,205</u>	<u>(410,561)</u>	<u>657,644</u>
Increase (decrease) in net assets			236,908	(168,301)	68,607
Net position - beginning of the year			154,821	(53,900)	100,921
Net position - end of the year			<u>\$ 391,729</u>	<u>\$ (222,201)</u>	<u>\$ 169,528</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, 2020

	General Fund	Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
ASSETS						
Cash and cash equivalents	\$ 65,091	\$ -	\$ -	\$ -	\$ -	\$ 65,091
Accounts receivable	1,327	-	-	-	-	1,327
Grants and contracts receivable	136,347	-	-	-	-	136,347
Due from other funds	595,699	-	-	-	-	595,699
Other assets	1,916	-	-	-	-	1,916
Total Assets	<u>\$ 800,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 800,380</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 441,794	\$ -	\$ -	\$ -	\$ -	\$ 441,794
Accrued payroll	41,948	-	-	-	-	41,948
Other payables	1,169	-	-	-	-	1,169
Due to other funds	66,184	-	-	-	-	66,184
Total Liabilities	<u>551,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>551,095</u>
FUND BALANCES						
Restricted for:						
Title III C-1	94,081	-	-	-	-	94,081
MIPPA	9,557	-	-	-	-	9,557
Senior RX	3,438	-	-	-	-	3,438
Unassigned	142,209	-	-	-	-	142,209
Total Fund Balances	<u>249,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,285</u>
Total Liabilities and Fund Balances	<u>\$ 800,380</u>	<u>\$ -</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	\$ 399,677
-Long-term liabilities are not due and payable in the current year and therefore are not reported in the governmental funds	(220,431)
-Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds	<u>(36,802)</u>
Net position of governmental activities	<u>\$ 391,729</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, 2020

	General Fund	Title Title III B	Title III C-1	Title III C-2	Non-Major Funds	Total
REVENUES						
Intergovernmental:						
Governor's Office of Elderly Affairs	\$ 272,480	\$ 152,044	\$ 223,193	\$ 422,791	\$ 343,922	\$ 1,414,430
LA Department of Insurance	-	-	-	-	6,075	6,075
LA Department of Transportation & Developme	-	60,057	-	-	-	60,057
Calcasieu Parish Police Jury	23,107	-	-	91,667	-	114,774
City of Sulphur	34,750	-	-	-	-	34,750
Public support:						
Contributions - unrestricted	32,621	-	3,110	-	-	35,731
Contributions - restricted	40,500	-	-	-	-	40,500
United Way of Southwest Louisiana	-	25,500	-	44,569	-	70,069
Utility company assistance programs	-	-	-	-	748	748
Client contributions	61,638	528	-	23,095	-	85,261
Paycheck Protection Program grant income	228,550	-	-	-	-	228,550
Program service fees:						
Local and miscellaneous	50,403	592	-	-	-	50,995
Total Revenues	<u>744,049</u>	<u>238,721</u>	<u>226,303</u>	<u>582,122</u>	<u>350,745</u>	<u>2,141,940</u>
EXPENDITURES						
Health, Welfare, & Social Services						
Current:						
Salaries	112,855	359,570	58,556	245,786	221,725	998,492
Fringe	14,701	31,824	4,993	21,280	18,919	91,717
Travel	128	3,303	14	157	1,204	4,806
Operating services	132,597	135,801	20,109	90,942	27,857	407,306
Operating supplies	85,342	41,037	5,630	42,540	5,867	180,416
Other costs	1,176	24,463	2,836	7,879	2,760	39,114
Full service contracts	-	57,682	40,084	394,650	48,240	540,656
Meals	3,431	-	-	-	268	3,699
Utility assistance	-	-	-	-	1,401	1,401
Debt service - principal and interest	7,299	-	-	-	-	7,299
Total Expenditures	<u>357,529</u>	<u>653,680</u>	<u>132,222</u>	<u>803,234</u>	<u>328,241</u>	<u>2,274,906</u>
Excess (deficiency) of revenues over expenditures	<u>386,520</u>	<u>(414,959)</u>	<u>94,081</u>	<u>(221,112)</u>	<u>22,504</u>	<u>(132,966)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	517,637	414,959	-	221,112	73,353	1,227,061
Operating transfers out	<u>(626,562)</u>	<u>-</u>	<u>(94,081)</u>	<u>-</u>	<u>(95,857)</u>	<u>(816,500)</u>
Total other financing sources (uses)	<u>(108,925)</u>	<u>414,959</u>	<u>(94,081)</u>	<u>221,112</u>	<u>(22,504)</u>	<u>410,561</u>
Excess (Deficiency) of revenues and other sources over expenditures and other (uses)	277,595	-	-	-	-	277,595
FUND BALANCES						
Beginning of the year	<u>(28,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,310)</u>
End of the year	<u>\$ 249,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 249,285</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, 2020

Net increase in fund balances - total governmental funds	\$ 277,595
Reconciling items:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$51,043) exceeds capital outlay (\$0) in the current period.	(51,043)
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.	7,299
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>3,057</u>
Increase in net assets of governmental activities	<u>\$ 236,908</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, 2020

	Business-type Activities Enterprise Funds		Total
	Bingo Account	Bingeaux Café	
ASSETS			
Current assets:			
Cash	\$ 142,944	\$ -	\$ 142,944
Miscellaneous receivable	3,524	-	3,524
Due from other funds	-	66,184	66,184
Total current assets	<u>146,468</u>	<u>66,184</u>	<u>212,652</u>
Noncurrent assets:			
Capital assets			
Equipment	97,658	58,720	156,378
Furniture and fixtures	26,690	-	26,690
Building improvements	299,298	10,942	310,240
Land improvements	136,048	-	136,048
Less: accumulated depreciation	<u>(390,612)</u>	<u>(68,512)</u>	<u>(459,124)</u>
Property and equipment, net	<u>169,082</u>	<u>1,150</u>	<u>170,232</u>
 Total assets	 <u>\$ 315,550</u>	 <u>\$ 67,334</u>	 <u>\$ 382,884</u>
LIABILITIES			
Current liabilities:			
Other payables	2,400	-	2,400
Current portion of note payable	4,782	-	4,782
Current portion of capital lease payable	1,355	-	1,355
Due to other funds	<u>595,699</u>	<u>-</u>	<u>595,699</u>
Total current liabilities	<u>604,236</u>	<u>-</u>	<u>604,236</u>
Long term liabilities:			
Note payable	<u>849</u>	<u>-</u>	<u>849</u>
Total long-term liabilities	<u>849</u>	<u>-</u>	<u>849</u>
 Total liabilities	 <u>605,085</u>	 <u>-</u>	 <u>605,085</u>
NET POSITION			
Invested in capital assets, net of debt	162,096	1,150	163,246
Unrestricted	<u>(451,631)</u>	<u>66,184</u>	<u>(385,447)</u>
 Total Net Position	 <u>\$ (289,535)</u>	 <u>\$ 67,334</u>	 <u>\$ (222,201)</u>

The accompanying notes are an integral part of this statement

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Net Position
 Proprietary Funds
 Year Ended June 30, 2020

	Bingo Account	Bingeaux Café	Total
OPERATING REVENUES:			
Charges for sales and services	\$ 2,759,365	\$ 5,849	\$ 2,765,214
Rental income	227,000	-	227,000
Total operating revenue	<u>2,986,365</u>	<u>5,849</u>	<u>2,992,214</u>
OPERATING EXPENSE			
Cost of sales and services	2,268,902	-	2,268,902
Salaries	257,450	-	257,450
Fringe	22,429	-	22,429
Operating services	135,032	1,199	136,231
Operating supplies	30,411	73	30,484
Other costs	10,911	-	10,911
Meals	806	-	806
Depreciation	19,323	96	19,419
Total operating expenses	<u>2,745,264</u>	<u>1,368</u>	<u>2,746,632</u>
Operating income	241,101	4,481	245,582
NONOPERATING REVENUE (EXPENSES)			
Interest expense	(3,322)	-	(3,322)
Total nonoperating expenses	<u>(3,322)</u>	<u>-</u>	<u>(3,322)</u>
Income before transfers	237,779	4,481	242,260
Transfers out	(410,561)	-	(410,561)
Net transfers	<u>(410,561)</u>	<u>-</u>	<u>(410,561)</u>
Change in net assets	(172,782)	4,481	(168,301)
Net position, beginning	(116,753)	62,853	(53,900)
Net position, ending	<u>\$ (289,535)</u>	<u>\$ 67,334</u>	<u>\$ (222,201)</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, 2020

	Business-type Activities - Enterprise Funds		Total
	Proprietary Fund Types		
	Bingo Account	Bingeaux Café	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 2,986,020	\$ 5,849	\$ 2,991,869
Cash payments for cost of sales and prizes	(2,268,902)	-	(2,268,902)
Cash payments to suppliers for goods and services	(177,160)	(1,272)	(178,432)
Cash payments to employees and professional contractors for services	(279,879)	-	(279,879)
Net cash provided (used) by operating activities	<u>260,079</u>	<u>4,577</u>	<u>264,656</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Due to other funds	179,591	(4,577)	175,014
Transfers out	(410,561)	-	(410,561)
Net cash used by noncapital financing activities	<u>(230,970)</u>	<u>(4,577)</u>	<u>(235,547)</u>
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(9,171)	-	(9,171)
Purchase of capital assets	(8,650)	-	(8,650)
Payment of interest	(3,322)	-	(3,322)
Net cash used by capital and capital related financing activities	<u>(21,143)</u>	<u>-</u>	<u>(21,143)</u>
Net increase in cash and cash equivalents	7,966	-	7,966
Cash beginning of year	<u>134,978</u>	<u>-</u>	<u>134,978</u>
Cash end of year	<u>\$ 142,944</u>	<u>\$ -</u>	<u>\$ 142,944</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	241,101	4,481	245,582
Add depreciation expense	19,323	96	19,419
(Increase) decrease in current assets:			
Miscellaneous receivable	(345)	-	(345)
Net cash provided by operating activities	<u>\$ 260,079</u>	<u>\$ 4,577</u>	<u>\$ 264,656</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, 2020

	<u>Progressive Jackpot</u>
ASSETS	
Cash	\$ 118,200
Total Assets	<u>\$ 118,200</u>
NET POSITION	
Held in trust for payment to progressive game winners	<u>\$ 118,200</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, 2020

	<u>Progressive Jackpot</u>
ADDITIONS	
Deposits by session participants	\$ 107,200
Total additions	<u>107,200</u>
DEDUCTIONS	
Payments to game winners	<u>112,400</u>
Total deductions	<u>112,400</u>
Change in net assets	(5,200)
Net position - July 1, 2019	<u>123,400</u>
Net position - June 30, 2020	<u><u>\$ 118,200</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 has a fiduciary fund but does not have 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 creditors, grantors,

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

Local Programs and Funding are revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly 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 2020, the Council received this grant money into its General Fund and management transferred all \$104,383 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	1,632
Information and assistance	1,571
Telephoning	5,123
Transportation	4,031
Legal assistance	129
Outreach	469
Medical alert	1
Recreation	26,767
Utility assistance	454
Material Aid	671

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 (\$152,044), funding received from Louisiana Department of Transportation (\$60,057) and restricted, voluntary contributions from the public (\$26,028), including those people who actually received transportation and homemaker services.

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, 2020, the Council served about 12,788 congregate meals and also provided 280 units of nutritional education to eligible participants.

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 (\$186,872). In addition, \$36,321 was received in Covid-19 related grants.

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 118,328 meals during the year to people eligible to participate in this program.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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 (\$350,150), grants from Calcasieu Parish Police Jury (\$91,667), and restricted, voluntary contributions from the public (\$67,664), including those persons actually receiving home-delivered meal services. In addition, \$72,641 was received in Covid-19 related grants.

Non-Major Special Revenue Funds

The Title III D Fund is used to account for funds used for disease prevention and health promotion (wellness) activities. During the fiscal year 20 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 (\$9,817).

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	42
Outreach	37
Material aid	142
In-home respite	1,901
Support group	133
Public education	31
Personal care	321
Sitter	191

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 (\$77,151).

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 \$145,431 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 March 1, 2021, the date the financial statements were available to be issued.

V. Change in Accounting Principle

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The standard prescribes a single model for revenue recognition, with a set of principles to be used for determining when revenue should be recognized. It also requires expanded disclosures about the nature, amount, and timing of revenue and cash flows. This standard is effective beginning January 1, 2019. The adoption of this new guidance did not have a material impact on the Council's financial statements.

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.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND DEPOSITS (Continued)

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 \$208,035 (net of cash overdraft), whereas the related bank balances totaled \$197,800. 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.

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
First Federal	\$ 206,635	\$ 206,635	None	Demand	Category 1
Petty Cash	1,400	1,400	None	N/A	None
Total Cash	<u>\$ 208,035</u>	<u>\$ 208,035</u>			
Unrestricted Purpose	\$ 89,835				
Restricted Purpose:					
Progressive Jackpot	118,200				
Total Cash	<u>\$ 208,035</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, 2020 consist of the following:

	General	Proprietary
Miscellaneous	\$ 1,327	\$ 3,524
	<u>\$ 1,327</u>	<u>\$ 3,524</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:

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE (Continued)

Governmental Fund Provider	Fund	Amount
Governor's Office of Elderly Affairs	General	\$ 108,962
City of Westlake	General	10,000
Calcasieu Parish Police Jury	General	16,667
Senior Health Insurance Information Program	General	718
		<u>\$ 136,347</u>

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	\$ 595,699	\$ 66,184
Proprietary Funds:		
Bingo	-	595,699
Bingeaux Café	66,184	-
Total	<u>\$ 661,883</u>	<u>\$ 661,883</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, 2019	Increases	Decreases	Balance June 30, 2020
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Building improvements	302,840	7,400	-	310,240
Equipment	323,729	1,250	-	324,979
Furniture & equipment	28,713	-	-	28,713
Land improvements	136,048	-	-	136,048
Vehicles	214,075	-	-	214,075
Subtotals	<u>1,573,885</u>	<u>8,650</u>	<u>-</u>	<u>1,582,535</u>
Less accumulated depreciation:	<u>(1,130,264)</u>	<u>(70,462)</u>	<u>-</u>	<u>(1,200,726)</u>
Land	<u>188,100</u>	<u>-</u>	<u>-</u>	<u>188,100</u>
Net capital assets - governmental activities	<u>\$ 631,721</u>	<u>\$ (61,812)</u>	<u>\$ -</u>	<u>\$ 569,909</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION (Continued)

Depreciation was charged to governmental activities totaling \$51,043 as administration expense and to proprietary funds totaling \$19,419 for the year ended June 30, 2020.

NOTE 8 GOVERNMENTAL ACTIVITIES – LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020 for the governmental activities of the Council.

	July 1, 2019	Principal		June 30, 2020	Due Within One Year
		Additions	Reductions		
Line of credit	\$ 75,000	\$ -	\$ -	\$ 75,000	\$ 75,000
Note Payable	152,730	-	(7,299)	145,431	8,024
Compensated absences payable	39,859	8,761	(11,818)	36,802	36,802
Totals	<u>\$267,589</u>	<u>\$ 8,761</u>	<u>\$ (19,117)</u>	<u>\$ 257,233</u>	<u>\$ 119,826</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. In December 2020, the line of credit was paid in full and the account was closed. \$ 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. 145,431
\$ 220,431

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 8 GOVERNMENTAL ACTIVITIES – LONG TERM DEBT (continued)

The annual requirements to amortize all debt outstanding at June 30, 2020, including interest payments of \$59,991 are as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 83,024	\$ 8,172
2022	8,498	7,698
2023	9,000	7,196
2024	9,531	6,665
2025	10,094	6,102
2026-2030	60,144	20,837
2031-2033	<u>40,140</u>	<u>3,321</u>
	<u>\$ 220,431</u>	<u>\$ 59,991</u>

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2020 for the proprietary activities of the Council.

	July 1, 2019	Principal		June 30, 2020	Due Within One Year
		Additions	Reductions		
Note payable	\$ 9,917	\$ -	\$ (4,286)	\$ 5,631	\$ 4,782
Capital lease	<u>6,240</u>	<u>-</u>	<u>(4,885)</u>	<u>1,355</u>	<u>1,355</u>
Totals	<u>\$ 16,157</u>	<u>\$ -</u>	<u>\$ (9,171)</u>	<u>\$ 6,986</u>	<u>\$ 6,137</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.	\$ 5,631
Less: current maturities of long-term debt	<u>(4,782)</u>
	<u>\$ 849</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 PROPRIETARY ACTIVITIES – LONG TERM DEBT (continued)

The annual requirements to amortize the note payable at June 30, 2020 is as follows:

Year Ending June 30,	Principal	Interest
2021	\$ 4,782	\$ 384
2022	849	12
Totals	<u>\$ 5,631</u>	<u>\$ 396</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.

The Council has assets that 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 \$9,081, Senior RX in the amount of \$3,438 and MIPPA in the amount of \$9,557.

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>	Salaries	Operating Services	Operating Supplies	Rent	Total In-Kind
Senior Centers	\$ 42,750	\$ 48,375	\$ 19,320	\$ 308,001	\$ 418,446
III C-1 Congregate Meals	-	-	-	223,323	223,323
III B Supportive Services	11,214	-	-	-	11,214
	<u>\$ 53,964</u>	<u>\$ 48,375</u>	<u>\$ 19,320</u>	<u>\$ 531,324</u>	<u>\$ 652,983</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 11 IN-KIND CONTRIBUTIONS (continued)

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.

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.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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.

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, 2019	\$ 123,400
Additions	107,200
Reductions	<u>(112,400)</u>
Balance June 30, 2020	<u>\$ 118,200</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 19 OPERATING & CAPITAL LEASES

The Council has entered into long-term leases for several 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
(1) Vehicle	\$ 497	36	11/20/2016
(1) Vehicle	497	36	11/20/2016
(1) Vehicle	518	38	12/15/2019
(1) Vehicle	518	38	12/15/2019
(1) Vehicle	664	38	12/15/2019
(1) Vehicle	991	12	6/26/2020

Future minimum payments by year and in the aggregate, under these operating leases consist of the following at June 30, 2020:

Year Ending June 30,	Totals
2021	\$ 31,298
2022	20,392
2023	<u>1,196</u>
Totals	<u>\$ 52,886</u>

Lease expense totaled \$38,301 for the year ended June 30, 2020, 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:

Proprietary		
Year Ending June 30,	Principal	Interest
2021	\$ 1,354	\$ 38
Totals	<u>\$ 1,354</u>	<u>\$ 38</u>

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 20 INTERFUND TRANSFERS

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

	Funds transferring in:							Totals
	General Fund	Title III B	Title III C-2	Title III D	Title III E	Ombudsman	Energy Assistance	
<u>Funds transferring out:</u>								
Governmental Funds:								
General Fund	\$ -	\$ 414,959	\$ 138,250	\$ 30,629	\$ 32,106	\$ 9,965	\$ 653	\$ 626,562
Special Revenue:								
Title III C-1	94,081	-	-	-	-	-	-	94,081
NSIP	-	-	82,862	-	-	-	-	82,862
MIPPA	9,557	-	-	-	-	-	-	9,557
SenioRx	3,438	-	-	-	-	-	-	3,438
Proprietary Funds:								
Bingo	410,561	-	-	-	-	-	-	410,561
Total	<u>\$ 517,637</u>	<u>\$ 414,959</u>	<u>\$ 221,112</u>	<u>\$ 30,629</u>	<u>\$ 32,106</u>	<u>\$ 9,965</u>	<u>\$ 653</u>	<u>\$ 1,227,061</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 \$10,199 for the year ended June 30, 2020.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 22 DEFICIT FUND BALANCES

The Bingo Account had a deficit fund balance of (\$289,535). 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, 2020.

Purpose	
Salary	\$ 96,732
Benefits - retirement	2,902
Total	<u>\$ 99,634</u>

NOTE 24 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (Covid-19) was reported to have surfaced in China. The World Health Organization has characterized Covid-19 as a pandemic. The extent of the impact of Covid-19 on the operational and financial performance of the Council will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which Covid-19 may impact the Council's financial condition is uncertain.

NOTE 25 PAYCHECK PROTECTION PROGRAM FUNDS

On April 20, 2020, the Council received loan proceeds in the amount of \$228,550 under the Paycheck Protection Program ("PPP"). The Council is accounting for the PPP funding as a conditional contribution under ASC 958-605. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the prescribed period.

For the year ended June 30, 2020, the Council substantially met all of the conditions of the PPP funds and recorded \$228,550 in grant revenue, which is equal to the qualifying expenses incurred through that date.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 25 SUBSEQUENT EVENTS

The Council was impacted by Hurricane Laura in August 2020 and Hurricane Delta in October 2020. Long-lived assets were destroyed or damaged by the hurricanes and the resulted flooding. The Council is currently evaluating its losses, costs to repair and recovery from insurance proceeds.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.
 Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ (28,310)	\$ (28,310)	\$ (28,310)	\$ -
Resources (inflows):				
Intergovernmental	272,480	272,480	330,337	57,857
Local and miscellaneous	76,219	76,161	413,712	337,551
Transfers in	538,358	538,358	517,637	(20,721)
Amounts available for appropriation	<u>858,747</u>	<u>858,689</u>	<u>1,233,376</u>	<u>374,688</u>
Charges to appropriations (outflows):				
Personnel	199,569	197,738	112,855	84,883
Fringe	19,921	17,917	14,701	3,216
Travel	2,172	2,196	128	2,068
Operating services	38,846	41,832	132,597	(90,765)
Operating supplies	38,190	38,958	85,342	(46,384)
Other costs	588	588	1,176	(588)
Meals	8,116	8,116	3,431	4,685
Debt service-principle and interest	7,594	7,594	7,299	295
Transfers out	531,892	531,891	626,562	(94,672)
Total charges to appropriations	<u>846,887</u>	<u>846,829</u>	<u>984,091</u>	<u>(137,262)</u>
Budgetary fund balance, June 30	<u>\$ 11,860</u>	<u>\$ 11,860</u>	<u>\$ 249,285</u>	<u>\$ 237,426</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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	443,224	435,770	212,101	(223,669)
Local and miscellaneous	25,500	25,500	26,620	1,120
Transfers in	-	-	414,959	414,959
Amounts available for appropriation	<u>468,724</u>	<u>461,270</u>	<u>653,680</u>	<u>192,410</u>
Charges to appropriations (outflows):				
Personnel	241,049	250,044	359,570	(109,526)
Fringe	22,472	22,228	31,824	(9,596)
Travel	963	965	3,303	(2,338)
Operating services	86,677	86,980	135,801	(48,821)
Operating supplies	33,543	37,976	41,037	(3,061)
Other Costs	8,192	8,192	24,463	(16,271)
Full service contracts	75,828	54,885	57,682	(2,797)
Capital Outlay	-	-	-	-
Total charges to appropriations	<u>468,724</u>	<u>461,270</u>	<u>653,680</u>	<u>(192,410)</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-1
 Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	188,072	223,193	223,193	-
Local and miscellaneous	3,960	-	3,110	3,110
Transfers in	-	-	-	-
Amounts available for appropriation	<u>192,032</u>	<u>223,193</u>	<u>226,303</u>	<u>3,110</u>
Charges to appropriations (outflows):				
Personnel	114,779	78,818	58,556	20,262
Fringe	8,722	6,823	4,993	1,830
Travel	300	274	14	260
Operating services	22,278	16,754	20,109	(3,355)
Operating supplies	11,721	8,770	5,630	3,140
Other costs	378	176	2,836	(2,660)
Full service contracts	33,854	25,205	40,084	(14,879)
Transfers out	-	86,373	94,081	(7,708)
Total charges to appropriations	<u>192,032</u>	<u>223,193</u>	<u>226,303</u>	<u>(3,110)</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, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with
	Original	Final		Final Budget - Positive (Negative)
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	525,749	605,605	422,791	(182,814)
Local and miscellaneous	99,242	77,938	159,331	81,393
Transfers in	-	162,350	221,112	58,762
Amounts available for appropriation	<u>624,991</u>	<u>845,893</u>	<u>803,234</u>	<u>(42,659)</u>
Charges to appropriations (outflows):				
Personnel	204,682	207,317	245,786	(38,469)
Fringe	18,355	18,140	21,280	(3,140)
Travel	10,468	10,469	157	10,312
Operating services	46,752	71,411	90,942	(19,531)
Operating supplies	19,292	30,500	42,540	(12,040)
Other costs	2,142	2,344	7,879	(5,535)
Full service contracts	<u>323,300</u>	<u>505,712</u>	<u>394,650</u>	<u>111,062</u>
Total charges to appropriations	<u>624,991</u>	<u>845,893</u>	<u>803,234</u>	<u>42,659</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 2020, 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, 2020

	<u>Title III D</u>	<u>Title III E</u>	<u>Ombudsman</u>	<u>N.S.I.P.</u>
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 9,817	\$ 77,151	\$ 76,214	\$ 82,862
Louisiana Department of Insurance	-	-	-	-
Public Support:				
Contributions - unrestricted	-	-	-	-
Utility company assistance programs	-	-	-	-
Total Revenues	<u>9,817</u>	<u>77,151</u>	<u>76,214</u>	<u>82,862</u>
EXPENDITURES				
Health, Welfare, & Social Services				
Current:				
Salaries	29,187	40,718	74,321	-
Fringe	2,461	3,466	6,922	-
Travel	6	10	905	-
Operating services	7,761	15,263	1,584	-
Operating supplies	1,031	1,560	793	-
Other costs	-	-	1,654	-
Full service contracts	-	48,240	-	-
Meals	-	-	-	-
Utility assistance	-	-	-	-
Total Expenditures	<u>40,446</u>	<u>109,257</u>	<u>86,179</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(30,629)</u>	<u>(32,106)</u>	<u>(9,965)</u>	<u>82,862</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	30,629	32,106	9,965	-
Operating transfers out	-	-	-	(82,862)
Total Other Financing Sources (Uses)	<u>30,629</u>	<u>32,106</u>	<u>9,965</u>	<u>(82,862)</u>
Net Increase in Fund Balances	-	-	-	-
FUND BALANCES				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>SenioRx</u>	<u>Energy</u>	<u>MIPPA</u>	<u>Total</u>
\$ 86,730	\$ -	\$ 11,148	\$ 343,922
6,075	-	-	6,075
-	-	-	-
-	748	-	748
<u>92,805</u>	<u>748</u>	<u>11,148</u>	<u>350,745</u>
77,499	-	-	221,725
6,070	-	-	18,919
283	-	-	1,204
1,658	-	1,591	27,857
2,483	-	-	5,867
1,106	-	-	2,760
-	-	-	48,240
268	-	-	268
-	1,401	-	1,401
<u>89,367</u>	<u>1,401</u>	<u>1,591</u>	<u>328,241</u>
<u>3,438</u>	<u>(653)</u>	<u>9,557</u>	<u>22,504</u>
-	653	-	73,353
<u>(3,438)</u>	<u>-</u>	<u>(9,557)</u>	<u>(95,857)</u>
<u>(3,438)</u>	<u>653</u>	<u>(9,557)</u>	<u>(22,504)</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, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
General fixed assets, at cost:				
Building	\$ 568,480	\$ -	\$ -	\$ 568,480
Land	188,100	-	-	188,100
Vehicles	214,075	-	-	214,075
Furniture and equipment	170,624	-	-	170,624
Totals	\$ 1,141,279	\$ -	\$ -	\$ 1,141,279
 Investment in general fixed assets:				
Property acquired with funds from:				
Local Funds	\$ 937,523	\$ -	\$ -	\$ 937,523
DOTD	181,963	-	-	181,963
SenioRx	18,443	-	-	18,443
Title III-B Ombudsman	3,350	-	-	3,350
Totals	\$ 1,141,279	\$ -	\$ -	\$ 1,141,279



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, 2020, 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 March 1, 2021.

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 2020-003 and 2020-004.

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 2020-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Calcasieu Parish Voluntary Council on the Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-001.

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

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

Purpose of this Report

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

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

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

March 1, 2021

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

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, 2020.

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 2020-002 through 2020-004 in Part II below.

Material Noncompliance - Financial Reporting

There was one instance of noncompliance noted during the audit of the financial statements and it is shown as item 2020-001 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2020

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

2020-001

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, 2020.

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, 2020

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

2020-002 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.

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.

2020-003 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, 2020

**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.

2020-004

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.

Part III Findings and Questioned Costs Relating to the Federal Programs

At June 30, 2020, 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, 2020.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2020

2019-001 Budget Variances

Status: This finding is unresolved. See current year finding 2020-001.

2019-002 Late Submission of the Audited Financial Statements

Status: This finding is resolved.

2019-003 Reconciliation of Fund Balances and Interfund Activity

Status: This finding is unresolved. See current year finding 2020-003.

2019-004 Internal Controls over Reconciliations

Status: This finding is unresolved. See current year finding 2020-004.

2019-005 Credit Card Finance Charges Incurred

Status: This finding is unresolved. See current year finding 2020-002.

CALCASIEU PARISH VOLUNTARY COUNCIL ON THE AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2020

2020-001 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.

2020-002 Credit Card Finance Charges Incurred

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

2020-003 Reconciliation of Fund Balances and Interfund Activity

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

2020-004 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.