

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

JUNE 30, 2019

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
Management's Discussion and Analysis (Unaudited)	i-ix
<u>AUDITED FINANCIAL STATEMENTS</u>	
Independent Auditor's Report	1-3
Basic Financial Statements:	
Government Wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet	6
Statement of Revenues, Expenditures and Changes in Fund Balance	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	8
Notes to Financial Statements	9-23
<u>REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION</u>	
Budgetary Comparison Schedule-General Fund (Unaudited)	24
Budgetary Comparison Schedule-Title IIIB Supportive Services (Unaudited)	25
Budgetary Comparison Schedule-Title III C-2 Home Delivered Meals (Unaudited)	26
Budgetary Comparison Schedule-Veterans HCBS (Unaudited)	27
Budgetary Comparison Schedule-Restricted Contributions (Unaudited)	28

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
<u>SUPPLEMENTARY FINANCIAL INFORMATION</u>	
Schedule of Compensation, Benefits, and Other Payments to Agency Head	29
Schedule of Non-Major Special Revenue Funds	30
Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets	31
Schedule of Expenditures of Federal Awards	32-33
Notes to the Schedule of Expenditures of Federal Awards	34
<u>OTHER REPORTS</u>	
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 <i>Government Auditing Standards</i>	35-36
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance	37-38
Schedule of Findings and Questioned Costs	39
Summary Schedule of Prior Audit Findings	40

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Financial Highlights.....	ii
How to Use This Annual Report.....	ii
A. The Council as a Whole Using Government-Wide Statements.....	ii
B. Reporting the Council’s Special Funds Using Fund Financial Statements	iii
C. Notes to the Financial Statements.....	iv
D. Supplementary Information Required by GASB Statement 34.....	iv
E. Supplementary Information Required by Governor’s Office of Elderly Affairs	iv
F. Supplementary Information Required by the Uniform Guidance	iv
G. Supplementary Information Required by Act 706 of the 2014 Regular Legislative Session	iv
H. Analysis of the Council as a Whole Using Government-Wide Financial Statements	v
I. Analysis of Governmental Activities	vii
J. Analysis of the Council’s Funds Using Governmental Fund Financial Statements.....	viii
K. Analysis of the General Fund Budget.....	viii
L. Analysis of Capital Asset and Debt Administration	ix
M. Economic Factors and Next Year’s Budgets	ix
Contacting the Council’s Management.....	ix

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Caddo Council On Aging, Inc. financial performance provides an overview of the Council's financial activities for the year ending June 30, 2019. This discussion should be read in conjunction with the Audited Financial Statements, which begin on page 1.

Financial Highlights

- The Council had a net decrease in overall net position of \$33,064 this year.
- Net Capital Assets of the Council decreased by \$24,705.
- No deficit fund balance exists at year-end.
- The unreserved, undesignated net position was \$1,074,166 at year-end. The restricted net position was \$1,225,466.
- The Council has no long term debt.

How to Use This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and The Statement of Activities (pages 4 and 5) provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. The Balance Sheet – Governmental Funds and Statement of Revenues, Expenditures and Changes in Fund Balance (on pages 6-8) provide information on how services were financed in the short-term as well as what remains for future spending.

Budgetary Comparison Schedules for the Council's major funds are on pages 24-28. These schedules compare Original Budget, Final Budget to Actual amounts for the year. The Schedule of Revenues, Expenditures, and Changes in Fund Balance for non-major funds is on page 30. This schedule reports in more detail the expenses of the non-major funds.

Our auditor has provided assurance in the independent auditor's report, located after the Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and Supplementary Financial Information Required by Governor's Office of Elderly Affairs (GOEA) and OMB Circular A-133 that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to determine the level of assurance being provided for each part of the financial section of the report.

A. The Council as a Whole Using Government-Wide Statements

Our Analysis of the Council's finances as a whole begins on page v. An important question to ask about the Council's finances is, "What was the impact as a result of the year's activities?" The Statement of Net Position and Statement of Activities (referred to collectively as the Government-Wide Financial Statements) report information about the Council as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Council's net position and changes in it. Some of the net position is restricted which means it can only be used for a specific purpose. The Statement of Net Position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, you will need to consider other non-financial factors, such as the condition of the Council's capital assets, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the Statement of Activities. These activities include but are not limited to an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include supportive social services, nutritional services, and disease prevention. All activities of the Council are considered to be governmental activities. A governmental activity is one where the Council uses money it receives from government grants and contracts, along with donations from the general public, to pay for the services the agency provides to the elderly. The people benefiting from the services are not required to pay for the services received. If the Council charged fees to cover all or most the cost of providing a service, that activity would be classified as a business-type activity. The Council does not have any business-type activities.

B. Reporting the Council's Special Funds Using Fund Financial Statements

The General Fund is used to account for all financial resources that are not restricted to specific funds. The Council's special funds are either major funds or non-major funds. Major funds are those funds whose revenues, expenses, assets or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is important to present for the Council's financial statement users. The Fund Financial Statements for the Council's major funds are on pages 24 to 28. These reports compare the original and final appropriated budgets to actual budget results for the Council's fiscal year. The Council's major funds are the General Fund, Title IIIC-2 Home Delivered Meals, Title IIIB Supportive Services, Veterans Home and Community Based Services, and Restricted Contributions. The Fund Financial Statement for the Council's non-major funds is on page 30.

The special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes, other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control and manage funds for particular purposes or show that the fund is meeting legal requirements for using certain grants and other revenues.

The General Fund and Special Revenue Funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic service it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Council's programs. The difference between the net position of governmental activities and fund balances of the governmental funds is presented in reconciliation at the bottom of the Balance Sheet for Governmental Funds, which is on page 6. In addition, the difference between the change in net fund balances for the governmental funds and the change in net position for the governmental activities has been presented in reconciliation on page 8.

C. Notes to the Financial Statements

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 9. The notes to the financial statements should be read before making assumptions or conclusions about the Council's financial condition.

D. Supplementary Information Required by GASB Statement 34

In addition to the basic financial statements, this report also presents certain required supplementary information (RSI) that further explains and supports the information in the financial statements. The Governmental Accounting Standards Board (GASB) Statement No. 34 requires budgetary comparison schedules for the General Fund and each major Special Revenue Fund that has a legally adopted budget. (see pages 24 to 28).

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

E. Supplementary Information Required by Governor's Office of Elderly Affairs

GOEA has required the Council to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Council (see pages 30 and 31).

F. Supplementary Information Required by OMB Circular A-133

OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule will present information about the Council's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Council (see pages 32-34).

G. Supplementary Information Required by Act 706 of the 2014 Regular Legislative Session

Act 706 of the 2014 Regular Legislative Session which amends (R.S. 24:513(A)(3) requires that the total compensation, reimbursements, and benefits paid an agency head or political subdivision head or chief executive officer related to the position, including but not limited to, travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of the local auditee (see page 29).

H. Analysis of the Council as a Whole Using Government-Wide Financial Statements

Table 1: Condensed information on the Council's net position

	2018	2019
Assets:		
Current and other assets	2,699,399	2,660,725
Capital Assets, net of accumulated depreciation	75,546	50,841
Total Assets	<u>2,774,945</u>	<u>2,711,566</u>
Liabilities:		
Other Liabilities	365,615	334,468
Vacation Liability	25,793	26,625
Total Liabilities	<u>391,408</u>	<u>361,093</u>
Net position:		
Restricted	1,358,258	1,196,039
Unrestricted	949,733	1,103,593
Investment in Capital Assets net of debt	75,546	50,841
Total Net position	<u><u>2,383,537</u></u>	<u><u>2,350,473</u></u>

As of June 30, 2019, the Council "as a whole" had assets greater than its liabilities by \$2,350,473. The Council's total net position increased from \$2,383,537 to 2,350,473. This equates to an increase of 1.4%.

The Council's unrestricted net position increased \$153,860. It is important for the Council to have unrestricted net position so that resources are available to adapt to changes in the economy, emergencies, unexpected needs, and reductions in grant revenues by government agencies.

The Council's restricted net position decreased by \$162,219. Net position is reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The liability for compensated absences increased from \$25,793 to \$26,625. This liability represents what the Council would owe to its employees as of year-end for unused vacation leave. This amount varies from year to year because it is dependent on the vacation patterns of the employees, the number of employees, and the hourly rate of pay. This liability could adversely affect the Council's financial position if it were to lay off a significant portion of its workforce. This event would trigger the immediate payment of unused vacation to terminated employees, resulting in the Council having to use unrestricted assets to make the payment.

Other liabilities decreased by \$30,844. Other liabilities are costs for this year that were not paid at June 30th. The Council does not have long-term liabilities.

Table 2: *Condensed information on the Increase/Decrease in Net position*

	<u>2018</u>	<u>2019</u>
Revenues :		
Program Revenues		
Operating Grants and Contributions	3,016,583	3,091,118
General Revenues		
Unrestricted Grants and contributions	372,740	372,740
Total Revenues	<u>3,389,323</u>	<u>3,463,858</u>
 Governmental Activities:		
Health, Welfare & Social Services:		
Supportive Services:	289,724	292,540
Nutrition Services	1,406,672	1,454,623
Disease Prevention and Health Promotion	9,245	13,487
National Family Caregiver Support:	78,030	72,948
Louisiana SenioRx	124,259	130,031
Ombudsman	122,799	116,720
Audit	28,000	30,500
Restricted Gifts	77,204	74,262
Veterans Home & Community Based Services	853,831	892,257
Other Local	3,795	64
Administration	349,460	419,489
Total Governmental activities	<u>3,343,019</u>	<u>3,496,921</u>
 Increase (decrease) in net position	<u>46,303</u>	<u>(33,064)</u>

I. Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. These grants represent 91% and 90% of the revenues of the Council for 2018 and 2019. Most of these grants are restricted which means that the money can only be used in designated programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients, the general public, community grants and fundraising activities. These revenues help to lessen the financial burden of the Council and help it to maintain services. Public support revenues represented 11% and 4% of the total revenues for 2018 and 2019.

The Council has invested idle funds and is able to earn interest on this money each year. The investment earnings are used or accumulated as necessary to meet expenses each year.

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Council's operations. As you can see in Table 3, the Council's largest activities are related to nutrition services. The Council's main focus is to meet the nutritional needs of the elderly citizens of Caddo Parish. There is a high demand for this service; therefore, resources are channeled to meet this demand.

You will also note that most of the governmental activities have more expenses than revenues. The Council's budgets were prepared with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

Comparing the amount of administrative costs as well as calculating the percentage administrative expenses bear in relation to total expenses is another indicator of how funds are used efficiently. Total administration expense for 2018 and 2019 were \$349,460 or 10.6% and \$419,489 or 12%.

Table 3: *Services provided and measurable unit for FY-2018 & FY-2019*

	Measurable Unit	FY-2018	FY-2019
Congregate Meals	Meal	28,203	29,448
Home Delivered Meals	Meal	266,277	271,493
Homemaker	Hour	1,141	1,484
Information & Assistance	Contact	2,317	2,124
Legal	Hour	179	271
NFCSP In-Home Respite	Hour	3,129	3,061
NFCSP I & A	Contact	98	349
Nutrition Education	Session	390	342
Ombudsman	Visit	542	729
Outreach	Contact	102	58
Senior Rx	Prescriptions	3,409	2,679
Sitter	Hour	2,050	4,004
Transportation	One Way Trip	3,764	5,582
Wellness	Contact	210	364
Veterans Services	Hours	68,361	70,493

J. Analysis of the Council's Funds Using Governmental Fund Financial Statements

Fund Balances

The focus of the Council's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Council's financing requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year. The Council showed a combined governmental fund balance of \$2,326,257 at the end of this year, which is a decrease of \$7,528 from last year. However, when you look at the funds individually you will see that the Council's General Fund increased by \$90,119 while Special Revenue Funds had a combined fund balance decrease of \$97,647 this year. Fundraising revenue from prior fiscal years was used to supplement the Home Delivered Meal program in FY-2019. Transportation funds from prior fiscal years were used to supplement the cost of the transportation program. Therefore, the fund balance of the Designated Fund decreased.

The Council's General Fund revenues are comprised of Parish Council on Aging (Legislative) Funds, Caddo Parish Commission, General Donations from the public, Nutrition Service Incentive Program, interest income earned on unrestricted funds, Senior Center funds, and Supplemental Senior Center funds. In FY-2019 these funds supplemented the expenses of the following programs: Supportive Services, Home Delivered Meals, Preventive Health, Caregiver, Area Aging Agency, Congregate Meals and Audit programs.

Revenues & Expenses

In FY-2019 the Council's revenues increased by \$74,535 and expenses increased by \$153,902.

- Fundraising Revenue increased by \$22,552 due to the Miles for Meals fundraiser in FY-2019. This is a notable reason for the increase in revenue.
- Veterans Home & Community Based Services revenue increased by \$60,335 in FY-2019 due to an increase in the number of veterans served. This is a notable reason for the increase in revenue.
- Home Delivered Meal Program – 271,493 were served in FY-2019. That is an increase of 5,216 units.
- Veterans Home & Community Based Services – Veterans received 70,493 hours of service in FY-2019. That is an increase of 2,132 hours due to an increase in the number of veterans served.
- Transportation-5,582 one-way trips were taken in FY-2019. That is an increase of 1,818 trips due to an increase in the number of seniors using transportation services.

K. Analysis of the General Fund Budget

The Council's budget was amended one time in FY-2019. The amendment was approved at the Board of Directors meeting in April 22, 2019. The amendment approved any expenditure that had already been incurred that exceeded its original budgeted amount. The primary reasons for amending the budget are to account for unanticipated changes in both revenues and expenditures and to prevent compliance violations under the Council's grants from the Governor's Office of Elderly Affairs.

You can find schedules of the original and amended budgets for the Major Funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report on pages 24 to 28. When you review the budget versus actual schedule, you will note that the favorable and unfavorable variances are not very large. This is a result of the budget amendment process, which allows us the opportunity to use hindsight to adjust the forecast that is made at the beginning of the year. With only two months left in the fiscal year at the time the budget is amended, the risk of a significant budget overrun is reduced because of our ability to more accurately predict what will occur over a shorter period of time versus a longer period of time.

L. Analysis of Capital Asset and Debt Administration

At the end of the year, the Council had \$50,841 in fixed assets net of accumulated depreciation. This amounted to a net decrease of \$24,705 from last year. The council had no significant capital asset purchases in FY-2019.

Table 4: *Capital Assets, Net of Accumulated Depreciation at Year End*

	FY-2018	FY-2019
Furniture & Equipment	124	124
Vehicles	75,422	50,717
	<u>75,546</u>	<u>50,841</u>

M. Economic Factors and Next Year's Budgets

The Council receives most of its funding from the Governor's Office of Elderly Affairs. Because of this, the source of income for the Council depends on the state's budget. The Council's grants and contracts from federal and state sources have been approved for FY-2019. Some of the Council's local grantors operate on a calendar year; as of today, notification has not been received of funding level for CY-2020. The Council will adjust services accordingly once notification is received.

Contacting the Council's Management

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Monica Wright, the Council's Executive Director, at the Council's main office located at 1700 Buckner Street, Suite 240 Shreveport, LA 71101, by phone at (318) 676-7900, or by email at ccoa@caddocoa.org.

AUDITED FINANCIAL STATEMENTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 27, 2019

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Independent Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Caddo Council on Aging, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 from material misstatement.

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

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* and *Budgetary Comparison Information* on Pages i-x and 24-28 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The information on Pages 29-34 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and also is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is 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 have also issued our report dated December 27, 2019, on our consideration of the Council'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 solely 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 the effectiveness of 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 Council's internal control over financial reporting and compliance.

Heard, McElroy + Vestal, LLC

Shreveport, Louisiana

CADDO COUNCIL ON AGING, INC.

GOVERNMENT-WIDE STATEMENT OF NET POSITION

JUNE 30, 2019

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	2,159,910
Accounts receivable	1,303
Grants receivable	443,457
Prepaid expenses	56,055
Capital assets, net of accumulated depreciation	<u>50,841</u>
Total assets	2,711,566
<u>Liabilities:</u>	
Accounts payable	264,468
Vacation liability	26,625
Other liabilities	<u>70,000</u>
Total liabilities	<u>361,093</u>
<u>Net position:</u>	
Restricted:	
Nutrition services-meals	31,143
Special revenue funds	1,164,896
Unreserved/undesignated	1,103,593
Investment in capital assets	<u>50,841</u>
Total net position	<u>2,350,473</u>

The accompanying notes are an integral part of this statement.

CADD0 COUNCIL ON AGING, INC.

GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
<u>Programs:</u>		
Governmental activities:		
Health, welfare, and social services:		
Supportive services	-	-
Other services	50,849	5,102
Homemaker	35,275	3,540
Information and assistance	121,429	12,188
Outreach	1,849	186
Transportation	73,108	7,337
Legal	10,030	-
Net change in supportive services		
Nutrition services:		
Congregate meals	170,954	17,168
Home delivered meals	1,283,669	128,895
Nutritional incentive program	-	-
Utility assistance	-	-
Disease prevention and health promotion	13,487	795
National family caregiver support:		
NFCSCP in-home respite	64,928	6,460
Other services	8,020	798
Net change in national family caregiver support		
Louisiana SenioRx (ADRC)	130,031	12,916
MIPPA	-	-
Ombudsman	116,720	11,730
Audit	30,500	-
Restricted fund	74,262	-
Veterans home and community based services	892,257	58,662
Other local	64	-
AAA and administration	419,489	(265,776)
Total governmental activities	<u>3,496,921</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

Program Revenues		Net (Expense) Revenue and Increase (Decrease) in Net Position
Charges for Services	Operating Grants and Contributions	Total Governmental Activities
-	295,281	295,281
-	-	(55,951)
-	-	(38,815)
-	-	(133,617)
-	-	(2,035)
-	-	(80,445)
-	-	(10,030)
		(25,612)
-	150,538	(37,584)
-	626,240	(786,324)
-	231,797	231,797
-	85	85
-	14,156	(126)
-	80,184	80,184
-	-	(71,388)
-	-	(8,818)
		(592,174)
-	124,154	(18,793)
-	30,700	30,700
-	126,674	(1,776)
-	-	(30,500)
-	229,808	155,546
-	1,011,822	60,903
-	-	(64)
-	169,679	15,966
-	3,091,118	(405,804)

General revenues:

Grants and contributions not restricted to specific programs	372,740
(Decrease) in net position	(33,064)
Net position-beginning of year	2,383,537
Net position-end of year	2,350,473

CADDO COUNCIL ON AGING, INC.

BALANCE SHEET-GOVERNMENTAL FUNDS

AT JUNE 30, 2019

	General Fund	Title IIIB Supportive Service	Title III C-2 Home Delivered Meals	Veterans HCBS	Restricted Contributions	Non-Major Funds	Total
<u>Assets:</u>							
Cash	2,101,132	-	-	-	58,778	-	2,159,910
Accounts receivable	1,303	-	-	-	-	-	1,303
Grants receivable	-	-	40,000	387,382	-	16,075	443,457
Due from other funds	31,143	7,348	-	96,649	830,155	19,283	984,578
Prepaid expenses	56,055	-	-	-	-	-	56,055
Total assets	<u>2,189,633</u>	<u>7,348</u>	<u>40,000</u>	<u>484,031</u>	<u>888,933</u>	<u>35,358</u>	<u>3,645,303</u>
<u>Liabilities:</u>							
Accounts payable	(2,138)	7,348	23,155	212,270	(2)	23,835	264,468
Due to other funds	960,407	-	16,845	-	-	7,326	984,578
Other liabilities	70,000	-	-	-	-	-	70,000
Total liabilities	1,028,269	7,348	40,000	212,270	(2)	31,161	1,319,046
<u>Fund balance:</u>							
<u>Nonspendable:</u>							
Prepaid expenses	56,055	-	-	-	-	-	56,055
<u>Restricted for:</u>							
Nutrition services-meals	31,143	-	-	-	-	-	31,143
Special revenue funds	-	-	-	271,761	888,935	4,197	1,164,893
Unassigned	1,074,166	-	-	-	-	-	1,074,166
Total fund balances	<u>1,161,364</u>	<u>-</u>	<u>-</u>	<u>271,761</u>	<u>888,935</u>	<u>4,197</u>	<u>2,326,257</u>
Total liabilities and fund balances	<u>2,189,633</u>	<u>7,348</u>	<u>40,000</u>	<u>484,031</u>	<u>888,933</u>	<u>35,358</u>	<u>3,645,303</u>
Total fund balances							2,326,257
Amounts reported for governmental activities in the statement of net assets are different because:							
- Vacation liability is not paid for out of current financial resources and is therefore not reported in the funds.							(26,625)
- Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.							50,841
Net position of governmental activities							<u>2,350,473</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Title III B Supportive Services	Title III C-2 Home Delivered Meals	Veterans HCBS	Restricted Contributions	Non-Major Funds	Totals
<u>Revenues:</u>							
Intergovernmental:							
Governor's Office of Elderly Affairs:							
Primary grants	-	295,216	429,638	-	-	565,728	1,290,582
PCOA	100,000	-	-	-	-	-	100,000
Nutrition Service Incentive Grant	231,797	-	-	-	-	-	231,797
Supplemental Senior Center	10,913	-	-	-	-	-	10,913
Senior Center	261,830	-	-	-	-	-	261,830
Department of Insurance	-	-	-	-	-	9,983	9,983
FEMA	-	-	10,000	-	-	-	10,000
Department of Veterans Affairs	-	-	-	1,011,822	-	-	1,011,822
Community Development Block Grant	-	-	6,575	-	-	7,050	13,625
Caddo Parish Commission	-	-	80,000	-	-	-	80,000
City of Shreveport	-	-	10,000	-	-	17,000	27,000
Public support-restricted:							
Community Foundation Shreveport/Bossier	2,061	-	62,403	-	-	-	64,464
United Way	-	-	13,105	-	-	-	13,105
Public support-unrestricted:							
Donations-unrestricted	56,925	50	-	-	87,372	-	144,347
Participant and program income	-	15	3,430	-	-	6,693	10,138
Fundraising revenues-restricted	-	-	-	-	139,663	-	139,663
Fundraising revenues-unrestricted	2,391	-	-	-	-	-	2,391
Interest income	14,076	-	-	-	2,815	-	16,891
Other income	12,362	-	11,090	-	-	1,855	25,307
Total revenue	692,355	295,281	626,241	1,011,822	229,850	608,309	3,463,858
<u>Expenditures:</u>							
Salaries	1,940	134,733	287,737	72,508	17,399	357,654	871,971
Fringe benefits	818	28,200	42,239	15,149	3,187	73,635	163,228
Travel	59	7,410	30,792	3,830	39	18,689	60,819
Operating services	4,872	19,220	78,378	11,889	567	44,082	159,008
Operating supplies	644	1,670	18,985	1,611	-	3,381	26,291
Other costs	3,987	5,561	17,313	37,685	53,071	44,983	162,600
Cost of meals	-	-	937,121	-	-	101,655	1,038,776
Client services	-	124,099	-	808,247	-	56,346	988,692
Total expenditures	12,320	320,893	1,412,565	950,919	74,263	700,425	3,471,385
<u>Excess (deficiency) of revenues over expenditures</u>	680,035	(25,612)	(786,324)	60,903	155,587	(92,116)	(7,527)
<u>Other financing sources (uses):</u>							
Transfers in	30,700	25,612	786,324	-	-	122,754	965,390
Transfers out	(620,617)	-	-	-	(314,073)	(30,700)	(965,390)
Total other financing sources and uses	(589,917)	25,612	786,324	-	(314,073)	92,054	-
Net increase (decrease) in fund balances	90,118	-	-	60,903	(158,486)	(62)	(7,527)
<u>Fund balances:</u>							
Beginning of year	1,071,245	-	-	210,858	1,047,420	4,261	2,333,784
End of year	1,161,363	-	-	271,761	888,934	4,199	2,326,257

CADDO COUNCIL ON AGING, INC.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,

AND CHANGES IN FUND BALANCES OF GOVERNMENTAL

FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019

Net (decrease) in fund balances - total governmental funds	(7,527)
Governmental funds report capital outlays as expenditures However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$-0-) exceeds depreciation (\$24,705) in the current period.	(24,705)
(Increase) in compensated absences	<u>(832)</u>
(Decrease) in net position of governmental activities	<u>(33,064)</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies

a. Purpose of the Council on Aging:

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

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

b. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. 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 are governed by the policies and regulations established by GOEA.

The Caddo Council on Aging is a legally separate, nonprofit, quasi-public corporation. It received its charter and began operations in 1972.

A board of directors, consisting of 17 voluntary members, who serve three-year terms, governs the Council.

Membership in the Council is open at all times, without restriction, to all residents of Caddo 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 Caddo Council on Aging 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 GASB Codification Section 2100, the Council has presented its financial statements as a primary government, because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

independent of other state and local governments. As used in GASB Statement 14, the term fiscally independent means that the Council may, without approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. As previously mentioned, GOEA establishes the policies and regulations that all councils must follow. Included in its policies is a provision that the Council's budget be approved by GOEA. However, this approval process is part of GOEA's general oversight responsibility for the Council and is more ministerial or compliance oriented than substantive.

Accordingly, the Council is viewed as being fiscally independent for purposes of applying the reporting entity criteria of GASB Statement 14.

c. Presentation of Statements:

The Council's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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 Council has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds; however, the Council has chosen not to do so because it does not have any business-type activities or enterprise funds. The more significant accounting policies established in GAAP and used by the Council are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the Council's overall financial position and results of operations.
- Governmental-Wide Financial statements prepared using full accrual accounting for all of the Council's activities.
- A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements).

d. Basic Financial Statements - Government-Wide Statements:

The Council's basic financial statements include both Government-Wide (GWFS) (reporting the Council as a whole) and fund financial statements (FFS) (reporting the Council's major funds). Both the Government-Wide and Fund Financial Statements categorize primary activities as either governmental or business type. The Council's functions and programs have been classified as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

The content and certain titles of the GWFS were changed upon the adoption by the Council of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides reporting guidance for deferred outflows of resources and deferred inflows of resources, and adds them, when applicable, as elements of the GWFS, because they are distinct from assets and liabilities. In addition, because these additional elements may affect the residual amount of all of the elements presented in a statement of financial position, GASB 63 renames that measure as net position rather than net assets. The Council had no significant deferred outflows or inflows of resources at June 30, 2019.

Accordingly, the statement of net position presents information on all of the Council's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Council is improving or deteriorating.

In the Government-Wide Statement of Net Position, the governmental type activities column is presented on a consolidated basis by column, and is 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 - investment in capital assets, net of related debt; restricted; and unrestricted. Investment 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 consists of net assets 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 includes all other net assets that do not meet the definition of "restricted" or "investment in capital assets, net of related debt."

The Council's policy is to use restricted resources first to finance its activities except for nutrition services. When providing nutrition services, revenues earned by the Council under its Nutrition Services Incentive Program contract with GOEA can only be used to pay for the raw food component of each meal that is bought and served to a person eligible to receive a meal under one of the nutrition programs. The Council's management has discretion as to how and when to use the Nutrition Services Incentive Program revenues when paying for nutrition program costs. Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Council will depart from its usual policy of using restricted resources first.

The GWFS 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 investment income, 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 then reduces the expenses by related program revenues, such as operating and capital grants and 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. The Council did not receive any capital-specific grants this year.

1. **Purpose of the Council on Aging and Summary of Significant Accounting Policies** (Continued)

The Council allocates its indirect costs among various functions and programs in accordance with the Uniform Guidance. The Statement of Activities shows this allocation in a separate column labeled “indirect cost allocation.” In addition, GOEA provides grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA funds are allocated to the Council’s other functions and programs.

The Government-Wide Statements focus upon the Council’s ability to sustain operations and the change in its net position resulting from the current year’s activities.

e. **Basic Financial Statements - Fund Financial Statements:**

The financial transactions of the Council are reported in individual funds in the Fund Financial Statements. 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. 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 various funds are reported by generic classification within the financial statements.

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.

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

- **The General Fund** is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. It is a major fund on the Council’s financial statements, and consists of the following types of programs:

Local

Local funds are received from various local sources. All funds are provided to help the Council supplement the Homemaker and Home Delivered Meals programs.

The Council’s program participants also generate revenues through certain fundraising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the Special Revenue Fund’s local program. Local funds may be used as transfers to Special Revenue Funds to supplement those programs.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor’s Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these “Act 735” funds at its discretion.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

Senior Center

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 senior center for Caddo Parish is located in Shreveport. Senior Center Funds can be used at management’s discretion to support any of the Council’s programs that benefit the elderly. Accordingly, during the fiscal year, the Senior Center Fund transferred most of its grant revenue to the Title III C-2 Fund to subsidize program costs of home-delivered meals.

The Nutritional Services Incentive Program Fund (formerly the U.S.D.A. Fund) is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor’s Office of Elderly Affairs, which “passes through” the funds to the Council. This program reimburses the service provider for congregate and home-delivered meals served to eligible participants so that United States food and commodities may be purchased to supplement these programs.

- **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Council’s special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging to the Governor’s Office of Elderly Affairs, which in turn “passes through” the funds to the Council.

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

Major Special Revenue Funds

The Title IIIB Supportive Services Funds are provided by the 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 program is used to provide the elderly various types of social services, including information and assistance, outreach and referral, Homemaker, telephoning, and utility assistance.

The Title III C-2 Home Delivered Meals Fund is used to account for funds that are used to provide nutritional meals to homebound older persons. Using Title III C-2 funds the Council served meals during the year to people eligible to participate in this program.

The Veterans HCBS Fund is used to account for funds that provide veterans the opportunity to hire their own personal care aides to assist them with daily living activities. The Council contracts with Overton Brooks VA Medical Center to provide this service.

The Restricted Contributions Fund is used to account for funds restricted by the donor for specific uses. Such restrictions generally relate to the provision of nutrition services to seniors.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

Nonmajor Special Revenue Funds

The Title III C-1 Area Agency Administration Fund is used to account for the administration of Special Programs for the Aging. Title III C administrative funds are provided by the United States Department of Health and Human Services through GOEA. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

The Title III C-1 Congregate Meals Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly at meal sites located in Shreveport and surrounding areas. Using Title C-1 Funds, the Council provides meals to people eligible to participate in that program.

The Title IIIB Ombudsman Funds are provided by the 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 program provides a liaison between the resident, the family and the nursing home. The objective of the program is to protect the resident's rights.

The Title III D Fund is used to account for funds used for disease prevention and health promotion activities.

The Title III-E Caregiver Funds are provided by the U. S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides in-home services and community services for the elderly.

SenioRx/Aging and Disability Resource Center (ADRC) Fund is provided for support services for access to prescription assistance and to promote public awareness of both public and private long-term support options for seniors and adults with disabilities. The program service area covers nine parishes. The program is administered by Louisiana Governor's Office of Elderly Affairs.

MIPPA Fund is provided to educate all partners and assist Area Agencies in their outreach and enrollment regarding benefits available under Medicare Part D, Medicare Savings Program, and Low-Income Subsidy Programs. The program is administered by Louisiana Governor's Office of Elderly Affairs.

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. The cost allocated to this fund is equal to the GOEA supplement. Excess audit costs are covered by transfers from the discretionary PCOA fund.

Local and Miscellaneous (Designated) Funds include funds used to provide a variety of services for program participants.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

f. Measurement Focus and Basis of Accounting:

Basis of accounting refers to when revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual Basis - Government-Wide Financial Statements (GWFS):

The Statement of Net Position and the Statement of Activities display information about the Council as a whole. Both of these statements have been prepared using the economic measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

2. Modified Accrual Basis - Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. 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. The Council considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

g. Interfund Activity:

Interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. All other interfund transactions are treated as transfers. Transfers represent a permanent reallocation of resources between funds. Transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position in the Government-Wide Financial Statements.

h. Cash and Cash Equivalents:

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

i. Investments:

GASB Statement 31 requires the Council to report its investments at fair value, except for investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value.

j. Prepaid Expenses/Expenditures:

Prepaid expenses include amounts paid for services in advance. These are shown as assets on the Government-Wide Statement of Net Position.

In the Fund Financial Statements, the Council has elected not to include amounts paid for future services as expenditures until those services are consumed to comply with the cost reimbursement terms of grant agreements. 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 reserved to reflect the amount of fund balance not currently available for expenditure.

k. Capital Assets:

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. Capital assets are long-lived assets that have been purchased or acquired with an original cost of at least \$1,000 and that 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. In contrast, in the Fund Financial Statements, capital assets are recorded as expenditures of the fund that provided the resources to acquire the asset. 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.

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 estimated useful lives of the various classes of depreciable capital assets are as follows:

Equipment	5 years
Vehicles	5 years
Computers	3 years

Salvage values have not been estimated by management when calculating how much of an asset's cost needs to be depreciated except for vehicles.

Depreciation is not computed or recorded on capital assets for purposes of the Fund Financial Statements.

l. 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. The amount accrued as the compensated absence liability was determined using

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

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 creates 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.

m. 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 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

n. Management's Use of Estimates:

The preparation of financial statements in conformity with 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.

o. Eliminations 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.

p. Fund Equity – Fund Financial Statements:

Governmental fund equity is classified as fund balance. The Council has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purpose 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.

1. Purpose of the Council on Aging and Summary of Significant Accounting Policies (Continued)

Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources 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 purpose unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.
- **Assigned:** This classification includes spendable amounts that are reported in governmental funds *other than the General Fund*, that are neither restricted nor committed, and amounts in the General Fund that are intended to be used for a specific purpose in accordance with the provisions of GASB Statement 54. The intent of an assigned fund balance should be expressed by either the Council’s board of directors, or a subordinate high-level body, such as a finance committee, or an official, such as the executive director, that has the authority to assign amounts to be used for specific purposes.
- **Unassigned:** This classification is the residual fund balance for 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 would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

r. Budget Policy:

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

- The Governor’s Office of Elderly Affairs (GOEA) and other funding agencies notify the Council each year as to the funding levels for each program’s grant award.
- The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

1. **Purpose of the Council on Aging and Summary of Significant Accounting Policies** (Continued)

- The adopted budget is forwarded to the Governor’s Office of Elderly Affairs or other appropriate funding agency for final approval.
- Most budgetary appropriations lapse at the end of each fiscal year (June 30).
- 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.
- 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 prior approval from the respective funding agency for funds received under grants from each agency.

2. **Revenue Recognition-Intergovernmental Grants, Public Support, and Miscellaneous Revenues**

Intergovernmental Grants

Intergovernmental grant revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Senior Center, State Allocation (Act 735), Titles III B, C-1, C-2, and Ombudsman program funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are also recognized as revenue once the related cost has been incurred, and the grant reimbursement is measurable and available.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of various programs. During the year, Caddo Parish, Community Foundation of North Louisiana, and the United Way provided funds to the Council. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior center activities. The timing and amounts of the receipts of public support and miscellaneous revenues are sometimes difficult to predict, but are recorded as revenue when the related ordinance is passed, or the pledge is made.

3. **Cash in Bank**

At June 30, 2019, the carrying amount of the Council’s deposits was as follows:

Community Foundation of North Louisiana	58,778
Petty cash	75
Payroll-checking	6,883
Operating-checking	1,866,574
Local funds-BFCU	<u>227,600</u>
Cash on deposit in banks	<u>2,159,910</u>

3. Cash in Bank (Continued)

All cash deposits are protected by federal deposit insurance and/or a pledge of qualified U.S. government (or its agencies) securities.

Interest bearing accounts consist of those in Barksdale Federal Credit Union.

4. Grants Receivable

Grants receivable at June 30, 2019, consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Caddo Parish Commission	Special Revenue	40,000
GOEA	Special Revenue	16,075
Veterans Affairs	Special Revenue	<u>387,382</u>
		<u>443,457</u>

5. In-Kind Contributions

In addition to in-kind revenues presented in this report, the Council received \$63,637 in various in-kind contributions during the year which have been valued at their estimated fair market value.

In-kind contributions consisted of the following:

<u>Fund</u>	<u>Amount</u>
Title III C-2: Home Delivered Meals volunteer services	<u>63,637</u>

6. 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 out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

7. Lease Commitments

The Council leases space for its main office at 1700 Buckner Square, Shreveport, Louisiana. The terms of this lease require monthly payments of \$6,034 through July 2020, plus a share of common operating expenses. Only a portion of this lease is on a long-term basis; the remainder is month-to-month. This lease contains provisions that allow the commitment to be broken due to lack of funding. Total rent expense for the year ended June 30, 2019 amounted to \$82,273.

Future minimum lease payments for the next five years ending June 30, and in the aggregate, are as follows:

2020	72,408
2021	6,034
2022	-
2023	-
2024	-
Thereafter	-
	<u>78,442</u>

8. **Income Tax Status**

As a nonprofit, privately supported organization, Caddo Council on Aging is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code, but must file an annual return with the Internal Revenue Service that contains information on its financial operations. The Council is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity. It must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax-exempt entity, the Council must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Council does not expect any of these tax positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Council's accounting records.

Caddo Council on Aging is required to file U. S. federal Form 990 for informational purposes. Its federal income tax returns for the tax fiscal years 2016 and beyond remain subject to examination by the Internal Revenue Service.

9. **Judgments, Claims, and Similar Contingencies**

There is no significant litigation pending against the Council at June 30, 2019. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

The Council receives revenues from various federal and state grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

10. **Federally Assisted Programs**

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act, as amended in 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

In accordance with the Single Audit Act, as amended, a schedule of expenditures of federal awards is presented in the supplementary financial information portion of this report.

11. **Economic Dependency**

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the 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.

12. Interfund Transfers

Operating transfers in and out are listed by fund for the fiscal year:

Funds Transferred In	Funds Transferred Out							Total In
	PCOA	Nutritional Service	Senior Center	Supplemental Senior Center	Local	Restricted Contributions	MIPPA	
Area agency administration	33,953	-	-	-	-	-	-	33,953
Supportive services	14,482	-	-	-	-	11,130	-	25,612
Congregate meals	-	37,583	-	-	-	-	-	37,583
Home delivered meals	21,043	189,595	269,643	3,100	-	302,943	-	786,324
Preventive health	-	-	-	-	126	-	-	126
Ombudsman	-	-	-	-	1,776	-	-	1,776
Audit	30,500	-	-	-	-	-	-	30,500
Caregiver	22	-	-	-	-	-	-	22
SenioRx	-	-	-	-	18,794	-	-	18,794
Local	-	-	-	-	-	-	30,700	30,700
Total out	100,000	227,178	269,643	3,100	20,696	314,073	30,700	965,390

13. Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 2019, follows:

	Due From Other Funds	Due To Other Funds
General Fund	-	960,407
Special Revenue Funds:		
AAA Administration	7,140	-
Supportive Service	7,348	-
Congregate Meals	-	1,588
Home Delivered Meals	-	16,845
Ombudsman	3,529	-
Caregiver	-	225
SenioRX	-	3,128
MIPPA	-	2,385
Nutritional Service Incentive Program	31,143	-
Veterans HCBS	96,649	-
Support Coordination	2,075	-
CNCS/FGP	2,005	-
Senior Center Special	3,415	-
FGP-SP	269	-
Restricted gifts	830,155	-
Indirect	850	-
Total Special Revenue Funds	984,578	24,171
Total all funds	984,578	984,578

14. Changes in Capital Assets

A summary of changes in capital assets is as follows:

	Balance 6-30-18	Additions	Deletions	Balance 6-30-19
General fixed assets, at cost:				
Furniture and equipment	41,790	-	5,890	35,900
Vehicles	188,248	-	-	188,248
	230,038	-	5,890	224,148
Accumulated depreciation:				
Furniture and equipment	41,666	-	5,890	35,776
Vehicles	112,826	24,705	-	137,531
	154,492	24,705	5,890	173,307
Net capital assets	75,546	(24,705)	-	50,841

15. Changes in Noncurrent Liabilities

The following is a summary of transactions relating to the Council's noncurrent liabilities during the year.

	Balance 6-30-18	Increase	Balance 6-30-19
Vacation liability	25,793	832	26,625

16. Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; 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. 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.

REQUIRED SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grants				
PCOA	100,000	100,000	100,000	-
Nutrition Service Incentive Grant	237,618	238,179	231,797	(6,382)
Supplemental Senior Center	-	-	10,913	10,913
Senior Center	261,830	261,830	261,830	-
Public support-restricted:				
Community Foundation Shreveport/Bossier	-	2,061	2,061	-
Public support-unrestricted:				
Donations-unrestricted	41,159	60,000	56,925	(3,075)
Fundraising revenues-unrestricted	-	2,791	2,391	(400)
Interest income	-	14,071	14,076	5
Other income	13,000	13,000	12,362	(638)
Total revenue	653,607	691,932	692,355	423
<u>Expenditures:</u>				
Salaries	4,392	2,828	1,940	888
Fringe benefits	1,342	975	818	157
Travel	114	20	59	(39)
Operating services	3,821	5,822	4,872	950
Operating supplies	77	1,022	644	378
Other costs	3,549	82,536	3,987	78,549
Total expenditures	13,295	93,203	12,320	80,883
<u>Excess (deficiency) of revenues over expenditures</u>	<u>640,312</u>	<u>598,729</u>	<u>680,035</u>	<u>81,306</u>
<u>Other financing sources (uses):</u>				
Transfers in	-	30,700	30,700	-
Transfers out	(640,312)	(629,429)	(620,617)	8,812
<u>Total other financing sources and uses</u>	<u>(640,312)</u>	<u>(598,729)</u>	<u>(589,917)</u>	<u>8,812</u>
<u>Net increase (decrease) in fund balances</u>	<u>-</u>	<u>-</u>	<u>90,118</u>	<u>90,118</u>
<u>Fund balances:</u>				
Beginning of year	1,040,216	1,040,216	1,071,245	31,029
End of year	1,040,216	1,040,216	1,161,363	121,147

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE IIIB SUPPORTIVE SERVICES

FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grants	295,216	295,216	295,216	-
Public Support - Unrestricted				
Donations Unrestricted	-	50	50	-
Participant and Program Income	-	15	15	-
Total revenue	295,216	295,281	295,281	-
<u>Expenditures:</u>				
Salaries	141,506	134,535	134,733	(198)
Fringe benefits	26,911	28,644	28,200	444
Travel	8,351	7,618	7,410	208
Operating services	18,704	19,490	19,220	270
Operating supplies	1,168	1,810	1,670	140
Other costs	5,565	5,542	5,561	(19)
Client services	114,739	127,695	124,099	3,596
Total expenditures	316,944	325,334	320,893	4,441
<u>Excess (deficiency) of revenues over expenditures</u>	(21,728)	(30,053)	(25,612)	4,441
<u>Other financing sources (uses):</u>				
Transfers in	21,728	30,053	25,612	4,441
<u>Total other financing sources and uses</u>	21,728	30,053	25,612	4,441
<u>Net increase (decrease) in fund balances</u>	-	-	-	-
<u>Fund balances:</u>				
Beginning of year	-	-	-	-
End of year	-	-	-	-

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-TITLE IIIC-2 HOME DELIVERED MEALS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>GAAP</u>	<u>Favorable</u>
			<u>Basis</u>	<u>(Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grants	429,638	429,638	429,638	-
FEMA	-	10,000	10,000	-
Community Development Block Grant	-	10,855	6,575	(4,280)
Caddo Parish Commission	40,000	80,000	80,000	-
City of Shreveport	10,855	-	10,000	10,000
Public support-restricted:				
Community Foundation of North Louisiana	50,000	52,828	62,403	9,575
United Way	-	13,105	13,105	-
Participant and program income	1,595	2,938	3,430	492
Other income	-	13,893	11,090	(2,803)
 Total revenue	 532,088	 613,257	 626,241	 12,984
<u>Expenditures:</u>				
Salaries	286,150	284,632	287,737	(3,105)
Fringe benefits	38,376	40,900	42,239	(1,339)
Travel	35,150	31,920	30,792	1,128
Operating services	72,954	74,147	78,378	(4,231)
Operating supplies	16,665	19,473	18,985	488
Other costs	18,648	17,741	17,313	428
Cost of meals	910,920	937,348	937,121	227
 Total expenditures	 1,378,863	 1,406,161	 1,412,565	 (6,404)
 <u>Excess (deficiency) of revenues over expenditures</u>	 (846,775)	 (792,904)	 (786,324)	 6,580
<u>Other financing sources (uses):</u>				
Transfers in	846,775	792,904	786,324	(6,580)
 Total other financing sources and uses	 846,775	 792,904	 786,324	 (6,580)
 <u>Net increase (decrease) in fund balances</u>	 -	 -	 -	 -
<u>Fund balances:</u>				
Beginning of year	-	-	-	-
End of year	-	-	-	-

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-VETERANS HOME AND COMMUNITY BASED SERVICES

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Favorable (Unfavorable)</u>
<u>Revenues:</u>				
Intergovernmental:				
Department of Veterans Affairs	894,320	951,571	1,011,822	60,251
Total revenue	894,320	951,571	1,011,822	60,251
<u>Expenditures:</u>				
Salaries	86,905	70,149	72,508	(2,359)
Fringe benefits	24,146	15,269	15,149	120
Travel	6,368	4,383	3,830	553
Operating services	13,080	12,304	11,889	415
Operating supplies	1,081	1,607	1,611	(4)
Other costs	28,867	38,654	37,685	969
Client services	733,873	809,205	808,247	958
Total expenditures	894,320	951,571	950,919	652
<u>Excess (deficiency) of revenues over expenditures</u>	-	-	60,903	59,599
<u>Other financing sources (uses):</u>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<u>Total other financing sources and uses</u>	-	-	-	-
<u>Net increase (decrease) in fund balances</u>	-	-	60,903	59,599
<u>Fund balances:</u>				
Beginning of year	179,584	179,584	210,858	-
End of year	179,584	179,584	271,761	59,599

UNAUDITED

CADDO COUNCIL ON AGING, INC.

BUDGETARY COMPARISON SCHEDULE-RESTRICTED CONTRIBUTIONS

FOR THE YEAR ENDED JUNE 30, 2019

	Budget Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
<u>Revenues:</u>				
Public support-unrestricted:				
Donations-unrestricted	23,949	99,304	87,372	(11,932)
Fundraising revenues-restricted	437,565	150,000	139,663	(10,337)
Interest income	2,000	2,815	2,815	-
Total revenue	463,514	252,119	229,850	(22,269)
<u>Expenditures:</u>				
Salaries	19,200	17,093	17,399	(306)
Fringe benefits	4,749	3,331	3,187	144
Travel	-	3	39	(36)
Operating Services	-	626	567	59
Other costs	50,000	45,421	53,071	(7,650)
Total expenditures	73,949	66,474	74,263	(7,789)
<u>Excess (deficiency) of revenues over expenditures</u>	389,565	185,645	155,587	(30,058)
<u>Other financing sources (uses):</u>				
Transfers in	-	-	-	-
Transfers out	(389,565)	(185,645)	(314,073)	(128,428)
<u>Total other financing sources and uses</u>	(389,565)	(185,645)	(314,073)	(128,428)
<u>Net increase (decrease) in fund balances</u>	-	-	(158,486)	(158,486)
<u>Fund balances:</u>				
Beginning of year	1,103,646	1,103,646	1,047,420	(56,226)
End of year	1,103,646	1,103,646	888,934	(214,712)

UNAUDITED

SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD

FOR THE YEAR ENDED JUNE 30, 2019

Agency Head: Monica Wright

Salary	87,524
Benefits-insurance-health insurance	21,640
Benefits-retirement	2,825
Reimbursements	55
Local travel reimbursement and parking	180
Conference travel and meals reimbursement	605
Conference hotel, parking and air fare	271
Organizational dues and subscriptions	225
Cell phone, data plan	1,365

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

	Title III C-1 AAA	Title III C-1 Congregate Meals	Title IIIB Ombudsman	Title III-D Preventive Health	Title III-E Caregiver	SenioRx	MIPPA	Audit	Other Local Programs	Total
<u>Revenues:</u>										
Intergovernmental:										
Primary grants	81,904	125,089	119,624	14,156	80,184	114,071	30,700	-	-	565,728
Department of Insurance	-	-	-	-	-	9,983	-	-	-	9,983
Community Development Block Grant	-	-	7,050	-	-	-	-	-	-	7,050
City of Shreveport	-	17,000	-	-	-	-	-	-	-	17,000
Participant and program income	-	6,593	-	-	-	100	-	-	-	6,693
Other income	-	1,855	-	-	-	-	-	-	-	1,855
Total revenue	81,904	150,537	126,674	14,156	80,184	124,154	30,700	-	-	608,309
<u>Expenditures:</u>										
Salaries	80,175	59,069	97,121	2,024	23,297	95,968	-	-	-	357,654
Fringe benefits	21,644	10,808	14,304	524	5,010	21,345	-	-	-	73,635
Travel	3,502	752	11,016	107	199	3,113	-	-	-	18,689
Operating services	8,069	11,901	4,412	310	2,900	16,490	-	-	-	44,082
Operating supplies	596	969	436	456	317	558	-	-	49	3,381
Other costs	1,871	2,967	1,160	861	2,138	5,473	-	30,500	13	44,983
Cost of meals	-	101,655	-	-	-	-	-	-	-	101,655
Client services	-	-	-	10,000	46,346	-	-	-	-	56,346
Total expenditures	115,857	188,121	128,449	14,282	80,207	142,947	-	30,500	62	700,425
<u>Excess (deficiency) of revenues over expenditures</u>	(33,953)	(37,584)	(1,775)	(126)	(23)	(18,793)	30,700	(30,500)	(62)	(92,116)
<u>Other financing sources (uses)</u>										
Transfers in	33,953	37,583	1,777	125	22	18,794	-	30,500	-	122,754
Transfers out	-	-	-	-	-	-	(30,700)	-	-	(30,700)
<u>Total other financing sources and uses</u>	33,953	37,583	1,777	125	22	18,794	(30,700)	30,500	-	92,054
<u>Net increase (decrease) in fund balances</u>	-	-	-	-	-	-	-	-	(62)	(62)
<u>Fund balances:</u>										
Beginning of year	-	-	-	-	-	-	-	-	4,261	4,261
End of year	-	-	-	-	-	-	-	-	4,199	4,199

CADD0 COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND

CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/19</u>
General fixed assets, at cost:				
Vehicles	188,248	-	-	188,248
Furniture and equipment	<u>41,790</u>	<u>-</u>	<u>5,890</u>	<u>35,900</u>
Total general fixed assets	<u>230,038</u>	<u>-</u>	<u>5,890</u>	<u>224,148</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Local funds (unreserved)	66,473	-	-	66,473
Legislative (PCOA)	19,321	-	-	19,321
Community Living Program	4,464	-	2,464	2,000
Community Living Program - CCAD	2,616	-	616	2,000
Grayson Foundation	30,413	-	-	30,413
FGP Special	1,382	-	1,382	-
SenioRx	1,428	-	1,428	-
D. Thomason Grant	15,000	-	-	15,000
Franks Foundation	6,000	-	-	6,000
Chesapeake Energy	10,000	-	-	10,000
Twin Cities	2,000	-	-	2,000
Donated assets	<u>70,941</u>	<u>-</u>	<u>-</u>	<u>70,941</u>
Total inventory listing	<u>230,038</u>	<u>-</u>	<u>5,890</u>	<u>224,148</u>

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Health and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Special Programs for the Aging:				
Title IIIB-Ombudsman	93.044	93,383	93,383	93,383
Title IIIB-Supportive Services	93.044	173,773	<u>173,773</u>	<u>173,773</u>
			267,156	267,156
Title III C-1-Area Agency Administration	93.045	61,428	61,428	61,428
Title III C-1-Congregate Meals	93.045	114,634	114,634	114,634
Title III C-2-Home Delivered Meals	93.045	198,624	<u>198,624</u>	<u>198,624</u>
			374,686	374,686
Title III E-Caregiver	93.052	60,138	60,138	60,138
Title III D-Health Facilitation	93.043	14,156	14,156	14,156
Nutritional Services Incentive Program (2018)-Note 2	93.053	250,268	-	26,525
Nutritional Services Incentive Program (2019)-Note 2	93.053	231,797	<u>231,797</u>	<u>200,654</u>
			231,797	227,179
Medicare Improvements for Patients and Providers Act 2010	93.071	30,700	<u>30,700</u>	<u>30,700</u>
Total aging cluster			978,633	974,015

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development</u>				
Passed through the City of Bossier:				
Community Development Block Grant	14.218	7,050	7,050	7,050
Passed through the City of Shreveport:				
Community Development Block Grant	14.218	6,575	<u>6,575</u>	<u>6,575</u>
			13,625	13,625
<u>Department of Homeland Security</u>				
Direct program:				
Emergency Food and Shelter National Board Program	97.024	10,000	<u>10,000</u>	<u>10,000</u>
Total Federal Awards			<u>1,002,258</u>	<u>997,640</u>

The accompanying notes are an integral part of this schedule.

CADDO COUNCIL ON AGING, INC.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Caddo Council on Aging, Inc. and is presented on the accrual basis of accounting, which is the same basis of accounting used for the presentation of the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

Caddo Council on Aging, Inc. did not pass through any of its federal awards to a subrecipient during the fiscal year, nor did it expend any federal awards in the form of noncash assistance.

Caddo Council on Aging, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

2. Nutritional Services Incentive Program

Revenues and expenditures under this program are summarized as follows:

a. Fiscal Year 2018:

Expenditures of \$26,525 were from unspent funds carried over from the fiscal year 2017 award of \$250,268.

b. Fiscal Year 2019:

Revenues recognized in fiscal year 2019 amounted to \$231,797. Of this amount, \$200,654 was expended; the remainder of \$31,143 is carried over to fiscal year 2020.

OTHER REPORTS

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 27, 2019

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

**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**

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, each major fund, and the aggregate remaining fund information of Caddo Council on Aging, Inc. as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 27, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council'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 Council's internal control. Accordingly, we do not express an opinion of the effectiveness of the Council's internal control.

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. *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.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Heard, McElroy + Vestal, LLC

Shreveport, Louisiana

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 27, 2019

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

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

Report on Compliance for Each Major Federal Program

We have audited Caddo Council on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Caddo Council on Aging, Inc.'s major federal programs for the year ended June 30, 2019. Caddo Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Caddo Council on Aging, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Caddo Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Caddo Council on Aging, Inc.'s compliance.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

Opinion on Each Major Federal Program

In our opinion, Caddo Council on Aging, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Caddo Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Caddo Council on Aging, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Caddo Council on Aging Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2019

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic financial statements of Caddo Council on Aging, Inc.
2. No material weaknesses relating to the audit of the basic financial statements are reported.
3. No instances of noncompliance material to the basic financial statements of Caddo Council on Aging, Inc. were disclosed during the audit.
4. No material weaknesses relating to the audit of major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Caddo Council on Aging, Inc. expresses an unmodified opinion.
6. There are no audit findings relative to the major federal award programs for Caddo Council on Aging, Inc.
7. The programs tested as major programs included:

<u>Program</u>	<u>CFDA No.</u>
Title IIIB Ombudsman	93.044
Title IIIB Supportive Services	93.044
Title IIIC-1 Area Agency Administration	93.045
Title IIIC-1 Congregate Meals	93.045
Title IIIC-2 Home Delivered Meals	93.045
Title IIIE Caregiver	93.052
Title IIID Health Facilitation	93.043
Nutritional Services Incentive Program	93.053
Medicare Improvements for Patients and Providers	93.071

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Caddo Council on Aging, Inc. was determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

None

C. Findings and Questioned Costs - Major Federal Award Programs

None

CADDO COUNCIL ON AGING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019

There were no findings and questioned costs from the prior year.

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

333 TEXAS STREET, SUITE 1525
SHREVEPORT, LOUISIANA 71101
318-429-1525 PHONE • 318-429-2070 FAX

December 27, 2019

Board of Directors
Caddo Council on Aging, Inc.
Shreveport, Louisiana

Louisiana Legislative Auditor
Baton Rouge, Louisiana

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Written policies and procedures address preparation, adoption, monitoring, and amending the budget.

HMV

A PROFESSIONAL SERVICES FIRM
SHREVEPORT • MONROE • DELHI

hmv@hmvcpa.com E-MAIL
www.hmvcpa.com WEB ADDRESS

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

Written policies and procedures address purchase initiation, addition of vendors, the preparation and approval process of purchase requisitions and purchase orders, controls to ensure compliance with the public bid law, and documentation to be maintained for all bids and price quotes.

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

Written policies and procedures address processing, reviewing, and approving disbursements.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

Written policies and procedures address receiving, recording and preparing deposits. Additionally, the entity has policies in place to determine completeness of all receipts/collections.

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

Written policies and procedures address payroll processing, reviewing and approving time and attendance records, including leave and overtime worked.

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

The entity has policies in place addressing written contracts, standard terms and conditions, legal review, approval process, and monitoring process.

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

The entity has policies and procedures in place for the control of cards, allowable uses, documentation requirements, approving, monitoring of credit cards, fuel cards, and purchase cards.

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

Written policies and procedures address allowable expenses, dollar thresholds by category of expense, documentation requirements, and required approvers.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.

The entity has an ethics policy addressing reporting ethical violations, monitoring possible ethics violations. Additionally, all employees are required to attest annually to reading the ethics policy.

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

Not applicable, as the entity has no debt.

- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Per discussion with the client, all data is backed up daily and stored in the cloud. Norton antivirus is installed on all systems. Patches and updates are automatic, with the exception of ones requiring IT personnel of Carbonite. IT personnel and Carbonite are responsible for restoring the system after outages. However, while the entity has written policies addressing identification of critical data and frequency of data backups, storage of backups in separate locations, and identification of tools needed to recover operations, policies do not exist for periodic testing that backups can be restored, use of antivirus software, and timely application of available system software patches and updates.

Management's Response: Management will immediately revise its Emergency Preparedness Plan to address the missing policies.

Board or Finance Committee

Not applicable because of no exceptions in previous year.

Bank Reconciliations

Not applicable because of no exceptions in previous year.

Collections

2. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

A listing of locations that collected funds for the entity during the fiscal year was obtained. The entity had one deposit site for the fiscal year.

3. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

Employees do not share cash drawers or registers.

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

Job duties appear properly segregated.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

Job duties appear properly segregated.

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Job duties appear properly segregated.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Performed without exception.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- a) Observe that receipts are sequentially pre-numbered.

Performed without exception.

- b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Performed without exception.

- c) Trace the deposit slip total to the actual deposit per the bank statement.

Performed without exception.

- d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

Performed without exception.

- e) Trace the actual deposit per the bank statement to the general ledger.

Performed without exception.

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

- 6. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

A listing of locations that process payments for the fiscal year was obtained from management. Only one location processes payments for the entity.

- 7. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Job duties appear properly segregated.

- b) At least two employees are involved in processing and approving payments to vendors.

Job duties appear properly segregated.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Job duties appear properly segregated.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Job duties appear properly segregated.

- 8. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement.

No exceptions were noted.

- b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions were noted.

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

Not applicable because of no exceptions in previous year

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Not applicable because of no exceptions in previous year

Contracts

Not applicable because of no exceptions in previous year

Payroll and Personnel

Not applicable because of no exceptions in previous year

Ethics

- 9. Randomly select 5 employees/officials employed during the fiscal year, obtain ethics documentation from management, and:

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

Performed without exception.

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

Performed without exception.

Debt Service

Not applicable because of the entity has no debt.

Other

Not applicable because of no exceptions in previous year

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

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

Heard, McElroy & Vestal, LLC

Shreveport, Louisiana