

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

JUNE 30, 2012

CADDO COUNCIL ON AGING, INC.

SHREVEPORT, LOUISIANA

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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, 2012. This discussion should be read in conjunction with the Audited Financial Statements, which begin on page 1.

Financial Highlights

- The Council had a net increase in overall net assets of \$275,831 this year.
- Net Capital Assets of the Council decreased by \$43,949.
- No deficit fund balance exists at year-end.
- The unreserved, undesignated fund balance for the Council's General Fund was \$528,276 at year-end.
- 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 Assets and The Statement of Activities (on pages 3 and 4) 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 5-7) 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 23-27. 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 pages 28. This schedule reports in more detail the expenses of the non-major funds.

Our auditor has provided assurance in his 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 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 Assets 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 assets and changes in them. Some of the net assets are restricted which means they can only be used for a specific purpose. The Statement of Net Assets is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net assets 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 assets 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 and health promotion. 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. However, the Council does have a paid meal program, and a small monthly fee is charged to seniors who are financially able to pay a portion of the home delivered meal cost. We do not view the fees we charge for these activities as a business-type activity because we do not recover the full cost of providing the service.

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 23 to 27. 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, Restricted Gifts and Foster Grandparent Fund. The Fund Financial Statement for the Council's non-major funds is on page 28.

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 assets 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 5. In addition, the difference between the change in net assets for the governmental funds and the change in net assets for the governmental activities has been presented in reconciliation on page 7.

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 8. 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 23 to 27).

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

The 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 28 and 29).

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 30 to 32).

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

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

	2011	2012
Assets:		
Current and other assets	1,431,397	1,763,644
Capital Assets, net of accumulated depreciation	106,459	62,510
Total Assets	<u>1,537,856</u>	<u>1,826,154</u>
Liabilities:		
Other Liabilities	114,009	129,608
Vacation Liability	37,480	34,348
Total Liabilities	<u>151,489</u>	<u>163,956</u>
Net Assets:		
Fund Balance Restricted	827,821	1,071,412
Fund Balance Unrestricted	452,086	528,276
Investment in Capital Assets net of debt	106,459	62,510
Total Net Assets	<u><u>1,386,367</u></u>	<u><u>1,662,198</u></u>

As of June 30, 2012, the Council "as a whole" had assets greater than its liabilities by \$1,662,198. The Council's total net assets increased from \$1,386,367 to \$1,662,198. This equates to an increase of 19.90%.

The Council's unrestricted net assets increased \$76,190. It is important for the Council to have unrestricted net assets 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 assets increased by \$243,591. Net assets are 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 decreased by \$3,132 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 net assets to make the payment.

Other liabilities increase by \$15,599. 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 Assets

	<u>2011</u>	<u>2012</u>
Revenues :		
Program Revenues		
Operating Grants and Contributions	2,847,228	2,720,553
General Revenues		
Unrestricted Grants and contributions	314,217	314,217
Total Revenues	<u>3,161,445</u>	<u>3,034,770</u>
<u>Governmental Activities</u>		
Health, Welfare & Social Services:		
Supportive Services:	265,608	268,152
Nutrition Services	1,262,660	1,278,240
Utility Assistance		523
Disease Prevention and Health Promotion	9,651	9,477
National Family Caregiver Support:	78,741	79,729
Louisiana SenioRx	94,372	111,440
Community Living Program(NHD)	126,429	-
Community Living Program Alzheimer's	42,432	-
MIPPA 2009	5,502	-
MIPPA 2010	19,719	19,155
Ombudsman	112,213	114,115
Retired Senior Volunteer Program	105,441	16,729
Foster Grandparent Program	340,478	335,560
Audit	13,300	13,700
Restricted Gifts	56,221	65,570
Other Local	28,687	22,683
Administration	467,785	423,862
Total Governmental activities	<u>3,029,239</u>	<u>2,758,935</u>
Excess(Deficiency) of Revenues over Expenses	<u>132,206</u>	<u>275,835</u>

H. An Analysis of Governmental Activities

Most of the Council's activities are funded by federal, state, and local grants. These grants represent 83% and 80% of the revenues of the Council for 2011 and 2012 respectively. Most of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year.

The Council also receives donations from its clients, the general public, community grants and fund raising activities. These revenues help to lessen the financial burden of the Council and help it to maintain services. Public support revenues represented 17% and 20% of the total revenues for 2011 and 2012.

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 2011 and 2012 were \$467,785 and \$423,862 which equates to 15% for both years.

Table 3: *Services provided and measurable unit for FY-2011 & FY-2012*

	Measurable Unit	FY-2011	FY-2012
Congregate Meals	Meal	37,836	38,287
Foster Grandparent	Hours	79,495	77,036
Home Delivered Meals	Meal	269,783	242,337
Homemaker	Hour	3,058	3,022
Information & Assistance	Contact	1,693	2,112
Legal	Hour	195	214
Medication Management	Hour	277	314
NFCSP In-Home Respite	Hour	3,816	3,661
NFCSP I & A	Contact	105	84
Nutrition Counseling	Contact	177	130
Nutrition Education	Session	149	132
Ombudsman	Visits	894	784
Outreach	Contact	105	61
Personal Care	Hour	960	1,002
Senior Rx	Prescriptions	471	807
Transportation	One Way Trip	7,963	6,442
Wellness	Contact	4,843	567

I. An 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 \$1,634,035 at the end of this year, which is an increase of \$316,649 from last year. However, when you look at the funds individually you will see that the Council's Special Revenue Funds had a combined fund balance increase of \$234,051 while the General Fund increased by \$82,598 this year.

The Council's General Fund revenues are comprised of Parish Council on Aging (Legislative) Funds, Caddo Parish Commission, City of Shreveport, General Donations from the public, interest income earned on unrestricted funds, Senior Center funds, and Supplemental Senior Center funds. In FY-2012 these funds supplemented the expenses of the following programs: Supportive Services, Home

Delivered Meals, Paid Meal Programs, and Ombudsman, Caregiver, Preventive Health, Area Aging Agency, and Audit programs. The Council is the sponsoring agency for the Foster Grandparent and Retired Senior Volunteer program. According to the guidelines for these programs indirect costs are not allowable. Therefore the General fund absorbs indirect cost attributable for these two programs. The Foster Grandparent program's fiscal year is January thru December. Therefore the figures for this fund reflect revenues and expenses for half of its current fiscal year and half of its past fiscal year.

Revenues

Overall there was a decrease of \$126,675 in total revenues. The major changes were due to the following:

- The Retired Senior Volunteer program ended in September 2012.
- The MIPPA 2009 grant ended in FY-2011.
- The Community Living Programs grant ended in FY-2011.

Expenses

Total expenditures decreased by \$270,304 this year. The reason for the decrease in expenses corresponds to the above explanation for decreases in revenues.

J. Analysis of the General Budget

Over the course of this past fiscal year the budget was amended once. The amendment was approved at a Board of Directors meeting on April 23, 2012. 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 Governors 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 23 to 27. 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 it 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.

K. Analysis of Capital Asset and Debt Administration

At the end of the year, the Council had \$62,510 in fixed assets net of accumulated depreciation. This amounted to a net increase of \$38,815 from last year.

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

	Governmental Activities	
	2011	2012
Furniture & Equipment	16,702	9,503
Vehicles	69,756	53,007
	<u>106,458</u>	<u>62,510</u>

L. 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-2013. 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-2013. 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 Mary Alice Rountree, 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 atccoac@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 6, 2012

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

Independent Auditor's Report

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, Inc., as of and for the year ended June 30, 2012, which collectively comprise the Council's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Caddo Council on Aging, Inc.'s management. 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 *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, Inc., as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012 on our consideration of Caddo Council on Aging's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the supplementary information on Pages i-x and Pages 23-27 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, which 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

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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.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on Pages 28-32 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 OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is also 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Heard, McElroy & Vestal, LLC

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF NET ASSETS

JUNE 30, 2012

	<u>Governmental Activities</u>
<u>Assets:</u>	
Cash	1,688,486
Accounts receivable	421
Grants receivable	36,316
Prepaid expenses	38,420
Capital assets, net of accumulated depreciation	<u>62,510</u>
Total assets	1,826,153
<u>Liabilities:</u>	
Accounts payable to various vendors	129,608
Vacation liability	<u>34,348</u>
Total liabilities	<u>163,956</u>
<u>Net assets:</u>	
Restricted:	
Nutrition services-meals	203,139
Special revenue funds	868,273
Unreserved/undesignated	528,275
Investment in capital assets, net of related debt	<u>62,510</u>
Total net assets	<u>1,662,197</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

GOVERNMENT WIDE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
<u>Programs:</u>		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Personal care	21,829	2,052
Other services	4,166	392
Homemaker	52,866	4,971
Information and assistance	111,572	10,491
Outreach	1,287	121
Transportation	65,022	5,873
Legal	11,410	-
Net change in supportive services		
Nutrition Services		
Congregate meals	184,061	18,269
Home delivered meals	1,094,179	109,675
Nutritional incentive program	-	-
Utility assistance	523	-
Disease prevention and health promotion	9,477	819
National family caregiver support		
NFCSCP in-home respite	63,127	5,294
Other services	16,602	1,392
Net change in national family caregiver support		
Louisiana SenioRx	111,440	9,276
MIPPA 2010	19,155	1,785
Ombudsman	114,115	10,762
Retired Senior Volunteer Program	16,729	-
Foster Grandparent Program	335,560	-
Audit	13,700	-
Restricted fund	65,570	-
Other local	22,683	694
AAA and administration	<u>423,862</u>	<u>(181,866)</u>
Total governmental activities	<u>2,758,935</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

<u>Program Revenues</u>		Net (Expense) Revenue and Increase (Decrease) in Net Assets
<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
-	284,887	284,887
-	-	(23,881)
-	-	(4,558)
-	-	(57,837)
-	-	(122,063)
-	-	(1,408)
-	-	(70,895)
-	-	<u>(11,410)</u>
		(7,165)
-	125,198	(77,132)
-	752,364	(451,490)
-	212,349	212,349
-	2,269	1,746
-	10,132	(164)
-	86,341	86,341
-	-	(68,421)
-	-	<u>(17,994)</u>
		(74)
-	120,590	(126)
-	26,593	5,653
-	122,024	(2,853)
-	14,763	(1,966)
-	333,935	(1,625)
-	5,524	(8,176)
-	313,658	248,088
-	32,838	9,461
<u>-</u>	<u>277,088</u>	<u>35,092</u>
<u>-</u>	<u>2,720,553</u>	(38,382)

General revenues:

Grants and contributions not restricted to specific programs	<u>314,217</u>
Increase in net assets	275,835
Net assets-beginning of year	<u>1,386,362</u>
Net assets-ending of year	<u>1,662,197</u>

CADDO COUNCIL ON AGING
BALANCE SHEET-GOVERNMENTAL FUNDS
AT JUNE 30, 2012

	General Fund	Title III B Supportive Services	Title III C-2 Home Delivered Meals	Foster Grandparents	Restricted Funds	Non-Major Funds	Total
Assets							
Cash	1,636,802	-	-	-	51,684	-	1,688,486
Accounts receivable	421	-	-	-	-	-	421
Grants receivable	-	-	-	14,619	-	21,697	36,316
Due from other funds	203,139	8,270	24,153	-	770,774	50,311	1,056,647
Prepaid expenses	38,420	-	-	-	-	-	38,420
Total assets	1,878,782	8,270	24,153	14,619	822,458	72,008	2,820,290
Liabilities							
Accounts payable	73,666	8,270	24,153	2,380	1,924	19,216	129,608
Due to other Funds	1,035,279	-	-	13,558	-	7,810	1,056,647
Total Liabilities	1,108,945	8,270	24,153	15,938	1,924	27,025	1,186,255
Fund balances							
Nonspendable:							
Prepaid expenses	38,420	-	-	-	-	-	38,420
Restricted for:							
Nutrition services - meals	203,139	-	-	-	-	-	203,139
Special revenue funds	-	-	-	(1,319)	820,534	44,983	864,198
Unassigned	528,278	-	-	-	-	-	528,278
Total fund balances	769,837	-	-	(1,319)	820,534	44,983	1,634,035
Total liabilities and fund balances	1,878,782	8,270	24,153	14,619	822,458	72,008	2,820,290

Total Fund Balances	1,634,035
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.	(34,348)
- Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.	82,510
Net assets of governmental activities	1,682,197

CADDO COUNCIL ON AGING

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

FOR THE YEAR ENDED JUNE 30, 2012

	Includes General Fund	PCOA, Supportive Services	Foster Grandparents Program	Title III C-2 Home Delivered Meals	Restricted Contributions	Non-Major Funds	Total
Revenues							
Intergovernmental:							
Governor's Office of Elderly Affairs							
Primary Grants	-	262,844	-	488,083	-	593,167	1,354,094
PCOA	95,836	-	-	-	-	-	95,836
Nutrition Service Incentive Program	30,057	-	-	105,160	-	77,132	212,349
Supplemental Senior Center	3,100	-	-	-	-	-	3,100
Senior Center	215,281	-	-	-	-	-	215,281
Corporation for National Service	-	-	333,935	-	-	13,883	347,798
Caddo Parish Commission	75,000	-	-	50,000	-	-	125,000
City of Shreveport	60,000	-	-	-	-	4,242	64,242
Community Development Block Grant	-	-	-	-	-	7,400	7,400
FEMA	-	-	-	7,250	-	-	7,250
Public Support:							
Community Foundation Shreveport/Boasier	-	-	-	33,388	-	-	33,388
United Way	-	-	-	17,947	-	-	17,947
Donations Unrestricted	50,057	-	-	-	-	-	50,057
Donations Restricted	-	-	-	72,366	4,608	53	77,027
Participant and Program Income	-	269	-	13,106	-	10,926	24,301
Fund Raising Revenues	-	-	-	-	299,126	1,845	300,971
Interest Income	1,086	-	-	-	-	11	1,097
Other Income	536	1,775	-	69,600	12,193	2,005	86,109
In-Kind	-	-	-	-	-	900	900
Total revenue	530,953	264,888	333,935	856,898	315,927	711,544	3,034,145
Expenditures							
Salaries	23,149	121,850	63,468	272,165	1,348	420,703	902,683
Fringe benefits	5,156	22,691	9,244	41,318	148	72,069	150,656
Travel	496	11,317	1,456	85,418	-	18,251	96,938
Operating Services	6,630	34,781	14,790	81,801	28,367	74,235	220,604
Operating Supplies	2,674	11,609	2,639	27,127	12,187	5,779	62,015
Other Costs	3,815	87,239	39,467	6,468	23,519	71,110	231,618
Stipends	-	-	204,497	-	-	-	204,497
Meals:							
Food Cost	-	-	-	729,557	-	118,130	847,687
Utility Assistance	-	-	-	-	523	-	523
In-Kind	-	-	-	-	-	900	900
Total expenditures	41,920	289,487	335,561	1,203,854	66,092	781,207	2,718,121
Excess (deficiency) of revenues over expenditures	489,033	(4,599)	(1,626)	(346,956)	249,835	(69,663)	316,024
Other financing sources (uses)							
Transfers In	5,653	4,599	406	346,331	-	84,958	441,947
Transfers Out	(412,080)	-	-	-	(21,833)	(6,026)	(441,947)
Proceeds from the sale of capital assets	-	-	-	625	-	-	625
Total other financing sources and uses	(406,427)	4,599	406	346,956	(21,833)	78,932	625
Net increase (decrease) in fund balances	82,598	-	(1,220)	-	228,002	7,269	316,649
Fund Balances							
Beginning of year	687,239	-	(99)	-	592,532	37,714	1,317,386
Ending of year	769,837	-	(1,319)	-	820,534	44,983	1,634,035

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, 2012

Net increase in fund balances-total governmental funds	316,649
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$41,379) differs from capital outlays (\$-0-) in the current period.</p>	
	(41,379)
<p>Effect of Capital Assets dispositions</p> <p style="padding-left: 20px;">Vehicles sold were not fully depreciated</p>	
	(2,567)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Compensated absences	<u>3,132</u>
Increase of net assets of governmental activities	<u>275,835</u>

The accompanying notes are an integral part of this statement.

CADDO COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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 (reporting the Council as a whole) and fund financial statements (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)

In the Government-Wide Statement of Net Assets, 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 assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net assets consist 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 net assets include all other net assets that do not meet the definition of "restricted" or "invested 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 Government-Wide Statement of Activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues like intergovernmental revenues, and unrestricted 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.

The Council allocates its indirect costs among various functions and programs in accordance with Circular A-87. 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 assets 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.

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

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.

Governmental fund equity is called the fund balance. Fund balance is further classified as reserved and unreserved, with unreserved being further split into designated and undesignated. Reserved means that the fund balance is not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets that makes them only available to meet future obligations. Designated fund balances result when management tentatively sets aside or earmarks certain resources to expend in a designated manner. In contrast to reserved fund balances, designated amounts can be changed at the discretion of management.

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. During the fiscal year, Caddo Parish provided \$75,000 and City of Shreveport provided \$60,000. All funds are provided to help the Council finance its operations and all proceeds from these funds can be used by the Council at its discretion.

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.

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.

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

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 Fund is used to account for funds, which are used to provide various units of supportive social services to the elderly. GOEA has established the criteria for defining a qualifying unit of service for each Title III program.

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 Foster Grandparents Fund (FGP) accounts for the administration of grants to a) provide part-time volunteer service opportunities for low-income people age 60 and over and, b) give supportive person-to-person service in health, education, welfare and related settings to help alleviate the physical, mental and emotional problems of infants, children or youth having special or exceptional needs.

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.

Nonmajor Special Revenue Funds

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 C 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 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.

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

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.

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.

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

The Retired Senior Volunteer Program (RSVP) Fund accounts for the administration of RSVP grants that provide a variety of opportunities for retired persons, age 55 and over, to serve their community through significant volunteer service. Caddo Council on Aging discontinued this program during 2011.

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

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 Assets 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

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

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 assets 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 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 Assets.

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.

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

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 Assets. 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 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.

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

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 Assets 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. Deferred Revenues:

The Council reports deferred revenues on its Statements of Net Assets and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Council receives resources before it has a legal claim to them, as when grant monies are received before the occurrence of qualifying expenditures. In subsequent periods, when the Council has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

q. 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. 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:

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

- 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.
- The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
- 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).

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

- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
- 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, Ombudsman, Foster Grandparent's Program and RSVP 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 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, 2012, the carrying amount of the Council's deposits was as follows:

Community Foundation of Shreveport-Bossier	51,683
Petty cash	75
Payroll-checking	2,792
Operating-checking	1,383,753
Local funds-BFCU	248,128
Local funds-Regions	10,817
Cash on deposit in banks	<u>1,697,248</u>

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 Progressive Bank, Regions and Barksdale Federal Credit Union.

4. **Grants Receivable**

Grants receivable at June 30, 2012 consisted of the following:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
GOEA	Special Revenue	9,486
Corporation for National Service	Special Revenue	14,619
Veterans Affairs	Special Revenue	9,595
Other	Special Revenue	<u>2,616</u>
		<u>36,316</u>

5. **In-Kind Contributions**

In addition to in-kind revenues presented in this report, the Council received \$88,158 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-1: Congregate Meals volunteer services	3,600
Title III C-2: Home Delivered Meals volunteer services	<u>84,558</u>
Total	<u>88,158</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 \$7,162 through July 2015. 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, 2012 amounted to \$94,008.

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

2013	85,946
2014	85,946
2015	85,946
2016	7,162
2017	-
	<u>265,000</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.

8. Income Tax Status (Continued)

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 2009 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, 2012. 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 in 1996, and the Office of Management and Budget Circular A-133 (revised), 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	RSVP Special	FGP Special	Local	Restricted Contributions	MIPPA	
Area Agency Administration	71,417	-	-	-	-	-	71,417
Supportive Services	-	-	-	4,599	-	-	4,599
Home-Delivered Meals	16,244	-	-	308,381	21,706	-	346,331
Preventive Health	-	-	-	165	-	-	165
Ombudsman	-	-	-	2,853	-	-	2,853
Paid Meals	-	-	-	180	-	-	180
RSVP	-	1,966	-	-	-	-	1,966
FGP	-	-	406	-	-	-	406
Audit	8,176	-	-	-	-	-	8,176
Caregiver	-	-	-	74	-	-	74
SenioRx	-	-	-	-	127	-	127
Local	-	-	-	-	-	5,653	5,653
Total Out	95,837	1,966	406	316,252	21,833	5,653	441,947

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, 2012, follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	-	1,035,279
Nutritional Services Incentive Program	203,139	-
Special Revenue Fund:		
AAA Administration	242	-
Title III-E Caregiver	-	3,044
CNCS-FGP Grant	-	13,558
CNCS-RSVP Grant	-	235
Title III C-1 Congregate Meals	2,119	-
FGP Special	12,291	-
Title III C-2 Home Delivered Meals	24,153	-
Title III-D Preventive Health	744	-
Indirect	445	-
Ombudsman	-	2,247
PMS	1,339	-
Restricted Gifts	770,774	-
RSVP Special	20,200	-
Senior Center Special	3,653	-
SenioRx	2,773	-
Supportive Service	8,270	-
Tour	77	-
Veterans HCBS	6,428	-
MIPPA 2010	-	2,284
Total Special Revenue funds	<u>853,508</u>	<u>21,368</u>
Total all funds	<u>1,056,647</u>	<u>1,056,647</u>

14. Changes in Capital Assets

A summary of changes in capital assets is as follows:

	<u>Balance 6-30-11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6-30-12</u>
General fixed assets, at cost:				
Furniture and equipment	62,444	-	1,121	61,323
Vehicles	<u>295,174</u>	<u>-</u>	<u>3,500</u>	<u>291,674</u>
	357,618	-	4,621	352,997
Accumulated depreciation:				
Furniture and equipment	45,741	6,700	1,121	51,320
Vehicles	<u>205,418</u>	<u>34,679</u>	<u>933</u>	<u>239,164</u>
	<u>251,159</u>	<u>41,379</u>	<u>2,054</u>	<u>290,484</u>
Net capital assets	<u>106,459</u>	<u>(41,379)</u>	<u>2,567</u>	<u>62,513</u>

14. Changes in Capital Assets (Continued)

Certain vehicles with a net book value of \$16,521 are no longer being used by the organization, and are available for sale at June 30, 2012.

15. Changes in Long-Term Debt

The following is a summary of transactions relating to the Council's long-term debt during the year.

	Balance <u>6-30-11</u>	<u>(Decrease)</u>	Balance <u>6-30-12</u>
Accrued compensated absences	<u>37,480</u>	<u>(3,132)</u>	<u>34,348</u>

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
BUDGETARY COMPARISON SCHEDULE-GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Revenue				
Intergovernmental:				
Governor's Office of Elderly Affairs				
PCOA	95,836	95,836	95,836	-
Nutrition Service Incentive Grant	-	-	30,057	30,057
Supplemental Senior Center	3,100	3,100	3,100	-
Senior Center	215,281	215,281	215,281	-
Caddo Parish Commission	75,000	75,000	75,000	-
City of Shreveport	30,000	60,000	60,000	-
Public support - unrestricted	450	53,050	50,057	(2,993)
Interest income	1,100	950	1,086	136
Other income	-	250	536	286
Total revenue	420,767	503,467	530,953	27,486
Expenditures				
Salaries	31,258	31,258	23,149	8,109
Fringe benefits	7,528	7,528	5,156	2,372
Travel	1,652	1,652	496	1,156
Operating services	7,759	9,372	6,630	2,742
Operating supplies	5,820	2,587	2,674	(87)
Other costs	2,370	47,124	3,815	43,309
Capital outlay	2,000	2,000	-	2,000
Total expenditures	58,387	101,521	41,920	59,601
Excess (deficiency) of revenues over expenditures	362,380	401,946	489,033	87,087
Other financing sources (uses)				
Transfers In	-	-	5,653	5,653
Transfers Out	(362,380)	(401,946)	(412,088)	(10,142)
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources and uses	(362,380)	(401,946)	(406,435)	(4,489)
Net increase in fund balances	-	-	82,598	82,598
Fund balances:				
Beginning of year	687,239	687,239	687,239	-
Ending of year	687,239	687,239	769,837	82,598

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE-TITLE III B SUPPORTIVE SERVICES FUND

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>GAAP Basis</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Intergovernmental:				
GOEA	282,844	282,844	282,844	-
Public support:				
Donations restricted	192	-	-	-
Participant and program income	733	365	269	(96)
Other income	-	981	1,775	794
Total revenue	283,769	284,190	284,868	698
<u>Expenditures</u>				
Salaries	141,486	120,844	121,850	(1,006)
Fringe benefits	25,767	23,063	22,691	372
Travel	8,158	11,426	11,317	109
Operating Services	31,232	35,555	34,781	774
Operating Supplies	15,771	10,756	11,609	(853)
Other Costs	65,864	83,895	87,239	(3,344)
Total expenditures	288,278	285,539	289,467	(3,947)
<u>Excess (deficiency) of revenues over expenditures</u>	(4,509)	(1,349)	(4,599)	(3,250)
<u>Other financing sources (uses)</u>				
Transfers In	4,509	1,349	4,599	3,250
Transfers Out	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Total other financing sources and uses	4,509	1,349	4,599	3,250
<u>Net increase (decrease) in fund balances</u>	-	-	-	-
<u>Fund balances:</u>				
Beginning of year	-	-	-	-
Ending of year	-	-	-	-

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE-FOSTER GRANDPARENTS PROGRAM

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>Unfavorable</u>
Revenue				
Intergovernmental:				
Corporation for National Service	335,797	335,797	333,935	(1,862)
In-Kind	299	299	-	(299)
Total revenue	336,096	336,096	333,935	(2,161)
Expenditures				
Salaries	67,335	67,335	63,468	3,867
Fringe benefits	10,024	10,024	9,244	780
Travel	3,685	3,685	1,456	2,229
Operating services	14,638	14,638	14,790	(152)
Operating supplies	1,749	1,749	2,539	(890)
Other costs	36,904	36,904	39,467	(2,563)
Stipends	201,962	201,962	204,497	(2,535)
In-Kind	299	299	-	299
Total expenditures	336,596	336,596	335,561	1,035
Excess (deficiency) of revenues over expenditures	(500)	(500)	(1,628)	(1,126)
Other Financing Sources (Uses)				
Transfers In	500	500	406	(94)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources and uses	500	500	406	(94)
Net Increase (Decrease) in Fund Balances	-	-	(1,220)	(1,220)
Fund Balances:				
Beginning of Year	(99)	(99)	(99)	-
Ending of Year	(99)	(99)	(1,319)	(1,220)

CADDO COUNCIL ON AGING

BUDGETARY COMPARISON SCHEDULE-TITLE III C-2 HOME DELIVERED MEALS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenue</u>				
Intergovernmental:				
Governor's Office of Elderly Affairs:				
Primary grant	485,306	488,083	488,083	-
Nutrition Service Incentive Grant	143,781	125,839	105,160	(20,679)
Caddo Parish Commission	-	50,000	50,000	-
FEMA	-	7,250	7,250	-
Public Support:				
Community Foundation Shreveport/Bossier	-	30,000	33,386	3,386
United Way	16,000	16,000	17,947	1,947
Public donations	35,000	46,000	72,366	26,366
Participant and program income	10,221	13,824	13,106	(718)
Other income	20,000	28,100	69,600	41,500
Total revenue	710,308	805,096	856,898	51,802
<u>Expenditures</u>				
Salaries	311,078	281,126	272,165	8,961
Fringe benefits	47,698	43,874	41,318	2,556
Travel	67,080	70,117	65,418	4,699
Operating services	60,329	66,852	61,801	5,051
Operating supplies	33,667	27,278	27,127	151
Other costs	3,460	5,411	6,468	(1,057)
Stipends	-	-	-	-
Meals:				
Food costs	679,537	761,733	729,557	32,176
Total expenditures	1,202,849	1,256,391	1,203,854	52,537
<u>Excess (deficiency) of revenues over expenditures</u>	(492,541)	(451,295)	(346,956)	104,339
<u>Other Financing Sources (Uses)</u>				
Transfers in	492,541	450,670	346,331	(104,339)
Transfers out	-	-	-	-
Proceeds from sale of capital assets	-	625	625	-
<u>Total other financing sources and uses</u>	492,541	451,295	346,956	(104,339)
<u>Net increase (decrease) in fund balances</u>	-	-	-	-
<u>Fund Balances:</u>				
Beginning of Year	-	-	-	-
Ending of Year	-	-	-	-

CADDO COUNCIL ON AGING
BUDGETARY COMPARISON SCHEDULE-RESTRICTED CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>GAAP Basis</u>	<u>Final Budget</u> <u>Favorable</u> <u>Unfavorable</u>
Revenue				
Intergovernmental:				
Department of Insurance	8,750	-	-	-
Public Support:				
Donations restricted	11,831	11,831	4,608	(7,223)
Fund raising revenues	252,000	252,000	299,126	47,126
Other Income	27,804	36,554	12,193	(24,361)
Total revenue	300,385	300,385	315,927	15,542
Expenditures				
Salaries	4,600	4,600	1,348	3,252
Fringe benefits	604	552	148	404
Operating Services	40,000	61,120	28,367	32,753
Operating Supplies	-	20,600	12,187	8,413
Other Costs	6,600	70,462	23,519	46,943
Utility Assistance	1,000	1,000	523	477
Total expenditures	52,804	158,334	66,092	92,242
Excess (deficiency) of revenues over expenditures	247,581	142,051	249,835	107,784
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(247,581)	(142,051)	(21,833)	120,218
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources and uses	(247,581)	(142,051)	(21,833)	120,218
Net increase (decrease) in fund balances	-	-	228,002	228,002
Fund Balances				
Beginning of Year	592,532	592,532	592,532	-
Ending of Year	592,532	592,532	820,534	228,002

SUPPLEMENTARY FINANCIAL INFORMATION

CADDO COUNCIL ON AGING

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	Title II C-1 AAA	Title III C-1 Congregate Meals	Title III B Ombudsman	Title III-D Preventive Health	Title III-E Caregiver	SeniorRx	Audit	MIPPA 2010	Retired Senior Volunteer Program	Other Local Program	Total
Revenues											
Intergovernmental:											
Governor's Office of Elderly Affairs											
Primary Grants	90,409	113,058	114,624	10,132	86,238	120,562	5,524	26,593	-	26,029	593,167
Nutrition Service Incentive Grant	-	77,132	-	-	-	-	-	-	-	-	77,132
Corporation for National Service	-	-	-	-	-	-	-	-	13,863	-	13,863
City of Shreveport	-	4,242	-	-	-	-	-	-	-	-	4,242
Community Development Block Grant	-	-	7,400	-	-	-	-	-	-	-	7,400
Donations Restricted	-	-	-	-	-	28	-	-	-	-	28
Participant and Program Income	-	6,361	-	-	105	-	-	-	-	4,460	10,926
Fund Raising Revenues	-	-	-	-	-	-	-	-	-	1,845	1,845
Interest Income	-	-	-	-	-	-	-	-	-	11	11
Other Income	-	1,537	-	-	-	-	-	-	-	468	2,005
In-Kind	-	-	-	-	-	-	-	-	900	-	900
Total Revenue	90,409	202,330	122,024	10,132	86,341	120,590	5,524	26,593	14,763	32,838	711,544
Expenditures											
Salaries	117,464	82,346	90,905	4,342	28,941	79,171	-	16,697	12,536	8,301	420,703
Fringe benefits	25,701	9,612	13,316	772	6,530	11,825	-	2,235	1,107	1,001	72,099
Travel	1,151	2,543	12,195	47	194	813	-	517	-	791	18,251
Operating Services	14,300	11,084	7,868	184	4,793	18,986	13,700	1,428	1,141	751	74,235
Operating Supplies	635	637	398	73	1,261	2,177	-	37	174	187	5,779
Other Costs	2,375	682	196	4,878	44,696	7,745	-	26	671	9,641	71,110
Meals:											
Food Cost	-	115,426	-	-	-	-	-	-	-	2,704	118,130
In-Kind	-	-	-	-	-	-	-	-	900	-	900
Total Expenditures	161,826	202,330	124,878	10,296	86,415	120,717	13,700	20,940	18,729	23,376	781,207
Excess (deficiency) of revenues over expenditures	(71,417)	-	(2,854)	(164)	(74)	(127)	(8,176)	5,653	(1,966)	9,462	(69,663)
Other Financing Sources (Uses)											
Transfers In	71,417	-	2,854	164	74	127	8,176	-	1,966	180	84,958
Transfers Out	-	-	-	-	-	-	-	(5,653)	-	(2,373)	(9,026)
Proceeds from the sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Total Other financing sources and uses	71,417	-	2,854	164	74	127	8,176	(5,653)	1,966	(2,193)	75,932
Net Increase (Decrease) in Fund Balances	-	-	-	-	-	-	-	-	-	7,269	7,269
Fund Balances											
Beginning of Year	-	-	-	-	-	-	-	-	-	37,714	37,714
Ending of Year	-	-	-	-	-	-	-	-	-	44,983	44,983

CADDO COUNCIL ON AGING, INC.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND

CHANGES IN GENERAL FIXED ASSETS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Balance</u> <u>6-30-11</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-12</u>
General fixed assets, at cost:				
Vehicles	295,174	-	3,500	291,674
Furniture and equipment	<u>62,444</u>	<u>-</u>	<u>1,121</u>	<u>61,323</u>
Total general fixed assets	<u>357,618</u>	<u>-</u>	<u>4,621</u>	<u>352,997</u>
Investment in general fixed assets:				
Property acquired with funds from:				
Ombudsman	1,485	-	-	1,485
Local funds (unreserved)	53,143	-	-	53,143
Legislative (PCOA)	19,322	-	-	19,322
Community Living Program	4,464	-	-	4,464
Community Living Program-CCAD	2,616	-	-	2,616
MOWAA	10,815	-	-	10,815
UMTA	118,925	-	-	118,925
RSVP Grant funds	1,283	-	-	1,283
Grayson Foundation	5,620	-	-	5,620
FGP Special	2,845	-	-	2,845
SenioRx	6,865	-	1,121	5,744
D. Thomason Grant	15,000	-	-	15,000
Community Foundation	52,890	-	-	52,890
Franks Foundation	6,000	-	-	6,000
Chesapeake Energy	10,000	-	-	10,000
Twin Cities	2,000	-	-	2,000
MIPPA	2,110	-	-	2,110
Donated assets	<u>42,235</u>	<u>-</u>	<u>3,500</u>	<u>38,735</u>
Total inventory listing	<u>357,618</u>	<u>-</u>	<u>4,621</u>	<u>352,997</u>

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2012

<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	92,246	92,246	92,246
Title IIIB-Supportive Services	93.044	163,335	<u>163,335</u>	<u>163,335</u>
			255,581	255,581
Title III C-1-Area Agency Administration	93.045	67,807	67,807	67,807
Title III C-1-Congregate Meals	93.045	111,581	111,581	111,581
Title III C-2-Home Delivered Meals	93.045	246,426	<u>246,426</u>	<u>246,426</u>
			425,814	425,814
Title III E-Caregiver	93.052	64,677	64,677	64,677
Title III D-Health Facilitation	93.043	10,132	10,132	10,132
Nutritional Services Incentive Program (2012)-Note 2	93.053	212,349	212,349	9,210
Nutritional Services Incentive Program (2011)-Note 2	93.053	200,966	-	<u>173,082</u>
			<u>212,349</u>	<u>182,292</u>
Total aging cluster			968,553	938,496
Medicare Improvements for Patients and Providers Act	93.518	26,593	<u>26,593</u>	<u>26,593</u>
			995,146	965,089
<u>Corporation for National and Community Service</u>				
Direct program:				
Retired Senior Volunteer Program (RSVP)	94.002	69,312	13,863	13,863
Foster Grandparents Program (FGP) (2012)	94.011	1,014,785	162,613	162,613
Foster Grandparents Program (FGP) (2011)	94.011	335,800	<u>171,322</u>	<u>171,322</u>
			<u>333,935</u>	<u>333,935</u>
			347,798	347,798

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, 2012

<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	7,400	7,400	7,400
<u>Department of Homeland Security</u>				
Direct program:				
Emergency Food and Shelter National Board Program	97.024	13,823	<u>7,250</u>	<u>7,250</u>
Total Federal Awards			<u>1,357,594</u>	<u>1,327,537</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, 2012

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 OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

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.

2. Nutritional Services Incentive Program

This program has been reported in prior years as the Nutrition Program for the Elderly under the U.S. Department of Agriculture, with a Federal CFDA number of 10.570. Effective in 2004, this program is reported as the Nutritional Services Incentive Program under the U.S. Department of Health and Human Services-Administration of Aging, with a Federal CFDA number of 93.053.

a. Fiscal Year 2011:

Expenditures of \$173,082 were from \$173,082 of unspent funds carried over from the fiscal year 2011 award.

b. Fiscal Year 2012:

Revenues recognized in fiscal year 2012 amounted to \$212,349. Of this amount, \$9,210 was expended; the remainder of \$203,139 is carried over to fiscal year 2013.

HEARD, McELROY, & VESTAL

LLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 6, 2012

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

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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Caddo Council on Aging, Inc. (the Council), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Council's internal control over financial reporting.

A deficiency in internal control exists when the design or operation 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 combination of deficiencies, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free of 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*.

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This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Thornd, M^cElroy & Vestal, LLC

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December 6, 2012

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

Report on Compliance with Requirements Applicable to Each
Major Program and Internal Control Over Compliance in
Accordance with OMB Circular A-133

Compliance

We have audited the compliance of Caddo Council on Aging, Inc. with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Caddo Council on Aging's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Caddo Council on Aging's management. Our responsibility is to express an opinion on Caddo Council on Aging's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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'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. Our audit does not provide a legal determination of Caddo Council on Aging's compliance with those requirements.

In our opinion, Caddo Council on Aging, Inc. complied, in all material respects, with the 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, 2012.

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Internal Control Over Compliance

The management of Caddo Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Caddo Council on Aging's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the Council'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, 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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the board of directors, management, federal awarding agencies, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Heard, McElroy & Ustal, LLC

CADDO COUNCIL ON AGING, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2012

A. Summary of Audit Results

1. The auditor's report expresses an unqualified 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 unqualified 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 III C-1 Area Agency Administration	93.045
Title III C-1 Congregate Meals	93.045
Title III C-2 Home Delivered Meals	93.045
Title III E-Caregiver	93.052
Title III D-Health Facilitation	93.043
Nutritional Services Incentive Program	93.053
Foster Grandparents Program	94.011

8. The threshold for distinguishing Types A and B programs was \$300,000.
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, 2012

There were no findings and questioned costs relative to federal awards from the prior year.