

ACADIA COUNCIL ON AGING, INC.
Crowley, Louisiana

Financial Report

Year Ended June 30, 2018

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(A Corporation of Certified Public Accountants)

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
 Acadia Council on Aging, Inc.
 Crowley, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acadia Council on Aging, Inc., as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Council on Aging, Inc., as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33-39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Acadia Council on Aging, Inc.'s basic financial statements. The schedule of nonmajor funds, comparative schedule of general fixed assets and changes in general fixed assets, and comparative balance sheet and statement of revenues, expenditures and changes in fund balance are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2018, on our consideration of the Acadia Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Acadia Council on Aging, Inc.'s internal control over financial reporting and compliance.

Dawall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 19, 2018

GOVERNMENT WIDE FINANCIAL STATEMENTS

ACADIA COUNCIL ON AGING, INC.

Government Wide Statement of Net position
June 30, 2018

	Governmental Activities
Assets	
Cash	\$ 386,353
Cash - reserved	24,080
Grants and contracts receivable	15,263
Employee receivable	3,611
Prepaid expenses	22,180
Capital assets, net of accumulated depreciation	<u>237,421</u>
Total Assets	<u>688,908</u>
Liabilities	
Accrued payroll and related benefits	14,898
Accounts Payable	1,350
Accrued compensated absences	531
Capital lease:	
Current portion	3,019
Non-current portion	10,317
Note payable:	
Current portion	16,916
Non-current portion	<u>94,975</u>
Total Liabilities	<u>142,006</u>
Net Position	
Invested in Capital Assets, net of debt	112,194
Restricted for:	
Debt Service	24,080
Prepaid expenses	22,180
Utility assistance	630
Unrestricted	<u>387,818</u>
Total Net Position	<u>\$ 546,902</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2018

Function/Programs	Direct Expenses	Indirect Expenses
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Other services	\$ 1,118	\$ 371
Homemaker	34,029	11,285
Information and assistance	15,302	5,074
Outreach	9,030	2,995
Transportation	117,636	39,010
Nutrition Services:		
Congregate Meals	62,424	20,701
Home delivered meals	129,917	43,084
Utility Assistance	-	-
National family caregiver support	55,378	18,365
Multipurpose senior centers	-	-
Transportation - Title XIX	92,551	30,692
Administration	236,618	(171,577)
Total governmental activities	\$ 754,003	\$ -

Charges for Services	Program Revenues		Total Governmental Activities	Net (Expense) Revenue and Increases (Decreases) in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions		
\$ -	409	\$ -	\$ (1,080)	
122	12,436	-	(32,756)	
-	5,592	-	(14,784)	
-	3,300	-	(8,725)	
7,957	42,990	-	(105,699)	
1,932	21,028	-	(60,165)	
5,096	3,141	-	(164,764)	
-	1,119	-	1,119	
-	37,356	-	(36,387)	
-	77,244	-	77,244	
32,357	-	-	(90,886)	
-	65,041	-	-	
<u>\$ 47,464</u>	<u>\$ 269,656</u>	<u>\$ -</u>	<u>(436,883)</u>	

General Revenues:

Grants and contributions not restricted to specific programs	416,921
Loss on disposal of fixed asset	(3,069)
Unrestricted investment income	113
Miscellaneous	205
Total general revenues and special items	<u>414,170</u>
Change in net position	(22,713)
Net position - beginning of the year	<u>569,615</u>
Net position - end of the year	<u>\$ 546,902</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ACADIA COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Title III B	Title III C-2	Title III E	Title XIX	Non-Major Funds	Total
Assets							
Cash	\$ 385,723	\$ -	\$ -	\$ -	\$ -	\$ 630	\$ 386,353
Cash - reserved	24,080	-	-	-	-	-	24,080
Grants and contracts receivable	15,263	-	-	-	-	-	15,263
Employee receivable	3,611	-	-	-	-	-	3,611
Prepaid expenditures	<u>22,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,180</u>
Total Assets	<u>\$ 450,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ 451,487</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,350
Accrued payroll and related benefits payable	<u>14,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,898</u>
Total Liabilities	<u>16,248</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,248</u>
Fund Balances:							
Nonspendable							
Prepaid expenditures	22,180	-	-	-	-	-	22,180
Restricted for:							
Debt service	24,080	-	-	-	-	-	24,080
Utility assistance	-	-	-	-	-	630	630
Unassigned	<u>388,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>388,349</u>
Total Fund Balances	<u>434,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>435,239</u>
Total Liabilities and Fund Balances	<u>\$ 450,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 630</u>	
Amounts reported for governmental activities in the statement of net position are different because:							
- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds							(531)
- Notes payable are not due and payable in the current period, and therefore, they are not reported in the funds							(111,891)
- Capital leases are not due and payable in the current period, and therefore, they are not reported in the funds							(13,336)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds							<u>237,421</u>
Net position of governmental activities							<u>\$ 546,902</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2018

	General Fund	Title III B	Title III C-2	Title III E	Title XIX	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 114,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,744
Cajun Area Agency on Aging, Inc.	-	64,727	3,141	37,356	-	21,028	126,252
Acadia Parish Police Jury	440,188	-	-	-	-	-	440,188
Program Service Fees:							
Transportation	-	7,957	-	-	32,357	-	40,314
Homemaker	-	122	-	-	-	-	122
Home delivered meals	-	-	5,096	-	-	-	5,096
Congregate meals	-	-	-	-	-	1,932	1,932
Utility assistance	-	-	-	-	-	1,119	1,119
Investment income	113	-	-	-	-	-	113
Local and miscellaneous:							
United Way	3,874	-	-	-	-	-	3,874
Donations	400	-	-	-	-	-	400
Miscellaneous	205	-	-	-	-	-	205
Total Revenues	559,524	72,806	8,237	37,356	32,357	24,079	734,359
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	13,238	114,967	94,706	53,234	40,748	58,989	375,882
Fringe	1,747	16,761	13,807	7,761	5,941	8,600	54,617
Travel	177	5,472	34,935	821	771	520	42,696
Operating Services	7,378	77,208	25,108	10,703	57,559	12,064	190,020
Operating Supplies	6,152	21,442	4,445	1,224	18,224	2,952	54,439
Other Costs	-	-	-	-	-	731	731
Capital Outlay	18,529	-	-	-	-	-	18,529
Debt service -							
Principal	19,469	-	-	-	-	-	19,469
Interest	6,151	-	-	-	-	-	6,151
Total Expenditures	72,841	235,850	173,001	73,743	123,243	83,856	762,534
Excess (deficiency) of revenues over expenditures	486,683	(163,044)	(164,764)	(36,387)	(90,886)	(59,777)	(28,175)
OTHER FINANCING SOURCES (USES)							
Proceeds from debt issuance	15,097	-	-	-	-	-	15,097
Transfers in	-	163,044	164,764	36,387	90,886	60,165	515,246
Transfers out	(515,246)	-	-	-	-	-	(515,246)
Total other financing sources (uses)	(500,149)	163,044	164,764	36,387	90,886	60,165	15,097
Net Increase (decrease) in fund balances	(13,466)	-	-	-	-	388	(13,078)
FUND BALANCES							
Beginning of the year	448,075	-	-	-	-	242	448,317
End of the year	\$ 434,609	\$ -	\$ -	\$ -	\$ -	\$ 630	\$ 435,239

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2018

Net decrease in fund balances - total governmental funds	\$ (13,078)
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 depreciations (\$30,308) exceeds capital outlay (\$18,529) in the period	(11,779)
Loss on disposal of fixed asset	(3,069)
Governmental funds report proceeds from debt issuance as an other financing source of revenue. However, in the government-wide financial statements proceeds from debt issuance are recorded as a liability and not as a revenue.	(15,097)
Governmental funds report principal payments on debt, including obligations of capital leases, as expenditures. However, in the government-wide financial statements these payments are recorded as a reduction of the associated debt and not as an expense.	19,469
Governmental funds report compensated absences as expenditures only when paid and therefore the amount earned in excess of the amount paid do not require the use of current financial resources and is not reported as an expenditure in government funds.	<u>841</u>
Change in net position of governmental activities	<u>\$ (22,713)</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the Governor's Office of Elderly Affairs (GOEA) (La. R.S. 46:931) with the specific intention that GOEA administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging.

Before a council on aging can begin operations in a specific parish, its application for a charter must receive approval from GOEA pursuant to Louisiana Revised Statute (La. R.S.) 46:1602. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies, as well as the policies and regulations established by GOEA.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Acadia Council on Aging, Inc. is a legally separate, non-profit, quasi-public corporation. The Council incorporated under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes on March 29, 1974 and subsequently received its charter from the Governor of the State of Louisiana.

A board of directors, consisting of 11 voluntary members, who serve three-year terms, governs the Council. The board of directors is comprised of, but not limited to, representatives of the Parish's elderly population, general public, private businesses, and elected public officials. Board members are elected in the following manner:

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

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

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

C. Presentation of Statements

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

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

D. Basic Financial Statements - Government-Wide Statements

The government-wide financial statements include the Statement of Net position and the Statement of Activities for all activities of the Council. As a general rule, the effect of interfund activity has been eliminated from these statements. The government-wide

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position (financial position) resulting from the activities of the current fiscal year. Intergovernmental revenues primarily support governmental activities.

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

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

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

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

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

E. Basic Financial Statements - Fund Financial Statements

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). During the year, the Council received this grant money into its General Fund and management transferred all of its PCOA (\$37,500) grant funds to the Title III C-2 fund to help pay for program expenditures of that fund.

The Senior Center Fund and Supplemental Senior Center Funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." The senior center for Acadia Parish is located in Crowley. During the year, management transferred all of its Senior Center (\$66,331) grant funds to the Title III B Fund and Supplemental Senior Center (\$10,913) grant funds to the Title III B Fund to subsidize that program's cost of providing supportive services to elderly persons who used the senior center.

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

Medicaid is a program where the Council provides services for which it is paid a fee by Medicaid. The services consist of completing enrollment applications for people wanting to apply for Medicaid services and insurance for children. The Council is paid \$14 per application it completes.

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Major Special Revenue Funds

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

	<u>Units</u>
Homemaker	2,860
Information and assistance	1,288
Outreach	182
Telephoning	1,851
Transportation	7,642

There were two main sources of revenues received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$64,727) and restricted, voluntary public support from person who actually received homemaker (\$122) and transportation (\$7,957) services under this program.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 64,750 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$3,141) and restricted, voluntary contributions from the public (\$5,096), including those persons actually receiving home-delivered meal services.

The Title III E Fund is used to account for funds used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. During the fiscal year 190 units of information and assistance, 1,907 units of in home respite, and 880 units of sitter service were provided under the Title III E program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via CAAA for the Title III, Part E _ National Family Caregivers Support Program (\$37,356).

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Title XIX Fund is used to account for funds which are used to provide various transportation services for those individuals who are eligible for Medicaid services. In contrast, transportation services provided to the residents who are at least 60 years old are accounted for in the “Elderly Transportation” program of the Title II B Fund.

Non-Major Special Revenue Funds

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor’s Office of Elderly Affairs, which “passes through” the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2018, the Council served about 9,250 congregate meals and also provided 121 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$21,028) and restricted, voluntary contributions from those persons who received congregate meals (\$1,932).

The Energy Fund is used to account for the administration of utility assistance programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of their utility bills. No indirect or administration expenses can be paid for with these funds.

The Project Care Fund is used to account for the administration of programs that are sponsored by Entergy, a local utility company. The Company collects contributions from service customers and remits the funds to the Cajun Area Agency on Aging, Inc., which in turn remits funds relating to the Council so it can provide assistance to the elderly for the payment of their utility bills.

F. Measurement Focus and Basis of Accounting

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Modified Accrual Basis – Fund Financial Statements (FFS):

Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that only current assets and current liabilities are generally included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be "available" if they are collected within 60 days of the current fiscal year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation and amortization are costs that are not recognized in the governmental funds.

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

I. Receivables

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

J. Prepaid Expenses/Expenditures

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

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

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

K. Capital Assets

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

Government-Wide Financial Statements

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Equipment	5-7 years
Vehicles	5 years
Computers	5 years
Building and improvements	15-40 years

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

Fund Financial Statements

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

L. Non-Current (Long-term) Liabilities

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

M. Unpaid Compensated Absences

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

N. Deferred Revenues

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

O. Net position in the Government-wide Financial Statements

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

P. Fund Equity – Fund Financial Statements

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

- **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:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Council has a restricted fund balance of \$24,710 as of June 30, 2018, of which \$24,080 is restricted due to the constraints placed on the use of the money through a debt covenant, and \$630 is restricted by contributors for utility assistance.

Committed: This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Council's board of directors, which is the Council's highest level of decision-making authority. These amounts cannot be used for any other purposes unless the board of directors removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Council did not have any committed resources as of year end.

- **Assigned:** This classification includes amounts that are constrained by the Council's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Council's (1) board of directors, (2) its finance committee, or (3) an official, such as the executive director, to which the board of directors has delegated the authority to assign amounts to be used for a specific purpose. The Council did not have any assigned resources as of year end.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

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

Q. Management's Use of Estimates

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

R. Allocation of Indirect Expenses

The Council reports all direct expenses by function and programs of functions in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the Administration function. GOEA provides funds to partially subsidize the Council's

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

S. Elimination and Reclassifications

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

T. Subsequent Events

Management has evaluated subsequent events through October 19, 2018, the date the financial statements were available to be issued. There were no events that required disclosure.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 REVENUE RECOGNITION

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

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

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

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS

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

The Council maintains a \$100 petty cash fund at its office to pay for small, unexpected expenses that might arise during daily operations.

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$410,433, including \$100 of petty cash, whereas the related bank balances totaled \$424,214. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance and Federal Reserve holding pledged securities.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS (Continued)

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Bank of Commerce	\$ 410,333	\$ 410,333	None	Demand	Category 1
Petty Cash	<u>100</u>	<u>100</u>	None	N/A	None
Total Cash	<u>\$ 410,433</u>	<u>\$ 410,433</u>			
Unrestricted Purpose	\$ 385,723				
Restricted Purpose:					
Debt Service	24,080				
Utility assistance	<u>630</u>				
Total Cash	<u>\$ 410,433</u>				

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

NOTE 4 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Social Services	Title III B	CAAA	\$ 5,557
Caregivers	Title III E	CAAA	<u>9,706</u>
Total government grants and contracts receivable			<u>\$ 15,263</u>

NOTE 5 PREPAID EXPENDITURES AND EXPENSES

At year-end, prepaid expenditures in the Fund Balance Sheet consists of \$22,180 of prepaid insurance. All of the prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance 06-30-17	Increases	Decreases	Balance 06-30-18
Capital Assets				
Vehicles	\$ 174,565	\$ -	\$ -	\$ 174,565
Furniture & equipment	70,479	18,529	(10,230)	78,778
Building and improvements	451,827	-	-	451,827
Land improvements	26,750	-	-	26,750
Subtotal	<u>723,621</u>	<u>18,529</u>	<u>(10,230)</u>	<u>731,920</u>
Accumulated depreciation				
Vehicles	154,560	7,434	-	161,994
Furniture & equipment	45,850	7,867	(7,161)	46,556
Building and improvements	260,240	13,670	-	273,910
Land improvements	10,702	1,337	-	12,039
Subtotal	<u>471,352</u>	<u>30,308</u>	<u>(7,161)</u>	<u>494,499</u>
Net capital assets	<u>\$ 252,269</u>	<u>\$ (11,779)</u>	<u>\$ (3,069)</u>	<u>\$ 237,421</u>

All the Council's vehicles are operational at year end. The Council's management has reviewed capital assets and does not believe any capital assets has been impaired as of year-end.

Depreciation of \$30,308 was charged to governmental activities as administrative expense for the year ended June 30, 2018.

NOTE 7 CHANGES IN LONG-TERM DEBT

The Council had long-term debt relating to compensated absences, note payable, and capital leases during the year ended June 30, 2018. The following is a schedule of the changes in long-term debt for the year ended June 30, 2018:

	Balance June 30, 2017	Increases	Decreases	Balance June 30, 2018
Accrued annual leave	\$ 1,372	\$ -	\$ 841	\$ 531
Note payable	127,983	-	16,092	111,891
Capital lease	1,616	15,097	3,377	13,336
Total long-term debt	<u>\$ 154,061</u>	<u>\$ 15,097</u>	<u>\$ 20,310</u>	<u>\$ 148,848</u>

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN LONG-TERM DEBT (Continued)

Note payable at June 30, 2018 is comprised of the following:

Note payable FMHA, original amount of \$344,000, payable in 360 monthly installments of \$1,848, including interest at 5% per annum, collateralized by an office building \$ 111,891

Capital lease at June 30, 2018 is comprised of the following:

Canon Financial Services, Inc., original amount of \$15,097, payable in 60 monthly installments of \$252, bearing no stated interest, collateralized by equipment \$ 13,336

The annual requirements to amortize all debt outstanding at June 30, 2018, including interest payments of \$17,658, are as follows:

<u>Year Ending June 30,</u>	Note Payable		Capital Lease		<u>Total</u>
	Principal	Interest	Principal	Interest	
2019	\$ 16,916	\$ 5,260	\$ 3,019	\$ -	\$ 25,195
2020	17,781	4,395	3,019	-	25,195
2021	18,691	3,485	3,019	-	25,195
2022	19,647	2,529	3,019	-	25,195
2023	20,652	1,524	1,260	-	23,436
2024	18,204	465	-	-	18,669
	<u>\$ 111,891</u>	<u>\$ 17,658</u>	<u>\$ 13,336</u>	<u>\$ -</u>	<u>\$ 142,885</u>

NOTE 8 FUND BALANCES – FUND FINANCIAL STATEMENTS

The General Fund has \$22,180 of nonspendable funds that are to be used for prepaid expenses.

The General Fund has \$24,080 of restricted funds due to the constraints placed on the use of the money through a debt covenant.

The Council also has \$630 of utility assistance contributions that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council’s Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA preferred that council on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE 9 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 9 INCOME TAX STATUS (Continued)

income could result. The Council had no material unrelated business income for the fiscal year under audit.

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

NOTE 10 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 11 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

NOTE 12 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 13 ECONOMIC DEPENDENCY

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 14 RISK MANAGEMENT

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

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

NOTE 15 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

NOTE 16 RETIREMENT PLAN

The Council sponsors a defined contribution 401(k) profit-sharing plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under Internal Revenue Service rules. The Council did not make any contributions to the plan for the year ended June 30, 2018.

NOTE 17 INTERFUND TRANSFERS

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

	Funds transferring in:					Total
	Title III B	Title III C-2	Title III E	Title XIX	Title III C-1	
<u>Funds transferring out:</u>						
General Fund	\$ 85,800	\$127,264	\$ 36,387	\$ 90,886	\$ 60,165	\$400,502
PCOA	-	37,500	-	-	-	37,500
Senior Center	66,331	-	-	-	-	66,331
Supplemental Senior Center	10,913	-	-	-	-	10,913
Total all funds	<u>\$ 163,044</u>	<u>\$164,764</u>	<u>\$ 36,387</u>	<u>\$ 90,886</u>	<u>\$ 60,165</u>	<u>\$ 515,246</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and to (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for by special revenue funds to eliminate program deficits.

These transfers were eliminated as a part of the consolidation process in preparing the Government-Wide Financial Statements.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments made to executive director Malita Bartie for the year ended June 30, 2018 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 81,913
Travel	3,060
Conferences	450
Reimbursements	<u>1,338</u>
Total	<u>\$ 86,761</u>

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 448,075	\$ 448,075	\$ 448,075	\$ -
Resources (inflows):				
Total revenues and other financing sources	<u>596,126</u>	<u>596,126</u>	<u>574,621</u>	<u>(21,505)</u>
Amounts available for appropriation	<u>1,044,201</u>	<u>1,044,201</u>	<u>1,022,696</u>	<u>(21,505)</u>
Charges to appropriations (outflows):				
Personnel and fringe	15,729	15,729	14,985	744
Travel	136	136	177	(41)
Operating services	7,259	7,259	7,378	(119)
Operating supplies	7,535	7,535	6,152	1,383
Other costs	-	-	-	-
Capital outlay	15,097	15,097	18,529	(3,432)
Debt service	22,174	22,174	25,620	(3,446)
Transfers out	<u>490,210</u>	<u>490,210</u>	<u>515,246</u>	<u>(25,036)</u>
Total charges to appropriations	<u>558,140</u>	<u>558,140</u>	<u>588,087</u>	<u>(29,947)</u>
Budgetary fund balance, June 30	<u>\$ 486,061</u>	<u>\$ 486,061</u>	<u>\$ 434,609</u>	<u>\$ (51,452)</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B Fund
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>276,974</u>	<u>241,082</u>	<u>235,850</u>	<u>(5,232)</u>
Amounts available for appropriation	<u>276,974</u>	<u>241,082</u>	<u>235,850</u>	<u>(5,232)</u>
Charges to appropriations (outflows):				
Personnel and fringe	197,625	134,758	131,728	3,030
Travel	8,729	5,077	5,472	(395)
Operating services	44,009	78,809	77,208	1,601
Operating supplies	<u>26,611</u>	<u>22,438</u>	<u>21,442</u>	<u>996</u>
Total charges to appropriations	<u>276,974</u>	<u>241,082</u>	<u>235,850</u>	<u>5,232</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>163,629</u>	<u>168,085</u>	<u>173,001</u>	<u>4,916</u>
Amounts available for appropriation	<u>163,629</u>	<u>168,085</u>	<u>173,001</u>	<u>4,916</u>
Charges to appropriations (outflows):				
Personnel and fringe	101,191	103,947	108,513	(4,566)
Travel	33,189	34,093	34,935	(842)
Operating services	24,427	25,092	25,108	(16)
Operating supplies	<u>4,822</u>	<u>4,953</u>	<u>4,445</u>	<u>508</u>
Total charges to appropriations	<u>163,629</u>	<u>168,085</u>	<u>173,001</u>	<u>(4,916)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III E
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>58,952</u>	<u>69,375</u>	<u>73,743</u>	<u>4,368</u>
Amounts available for appropriation	<u>58,952</u>	<u>69,375</u>	<u>73,743</u>	<u>4,368</u>
Charges to appropriations (outflows):				
Personnel and fringe	48,443	57,008	60,995	(3,987)
Travel	603	710	821	(111)
Operating services	8,800	10,356	10,703	(347)
Operating supplies	<u>1,106</u>	<u>1,301</u>	<u>1,224</u>	<u>77</u>
Total charges to appropriations	<u>58,952</u>	<u>69,375</u>	<u>73,743</u>	<u>(4,368)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title XIX
 Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>132,075</u>	<u>132,075</u>	<u>123,243</u>	<u>(8,832)</u>
Amounts available for appropriation	<u>132,075</u>	<u>132,075</u>	<u>123,243</u>	<u>(8,832)</u>
Charges to appropriations (outflows):				
Personnel and fringe	53,189	53,189	46,689	6,500
Travel	628	628	771	(143)
Operating services	59,243	59,243	57,559	1,684
Operating supplies	19,015	19,015	18,224	791
Capital outlay	-	-	-	-
Total charges to appropriations	<u>132,075</u>	<u>132,075</u>	<u>123,243</u>	<u>8,832</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

ACADIA COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2018

	Title III C-1	Energy	Project Care	Total
REVENUES				
Intergovernmental:				
Cajun Area Agency on Aging, Inc.	\$ 21,028	\$ -	\$ -	\$ 21,028
Utility assistance	-	1,119	-	1,119
Program Service fees	<u>1,932</u>	<u>-</u>	<u>-</u>	<u>1,932</u>
Total Revenues	<u>22,960</u>	<u>1,119</u>	<u>-</u>	<u>24,079</u>
EXPENDITURES				
Current:				
Personnel	58,989	-	-	58,989
Fringe	8,600	-	-	8,600
Travel	520	-	-	520
Operating Services	12,064	-	-	12,064
Operating Supplies	2,952	-	-	2,952
Other Costs	<u>-</u>	<u>731</u>	<u>-</u>	<u>731</u>
Total Expenditures	<u>83,125</u>	<u>731</u>	<u>-</u>	<u>83,856</u>
Excess (deficiency) of revenues over over expenditures	<u>(60,165)</u>	<u>388</u>	<u>-</u>	<u>(59,777)</u>
OTHER FINANCING SOURCES (USES)				
SOURCES (USES)				
Transfers in	60,165	-	-	60,165
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>60,165</u>	<u>-</u>	<u>-</u>	<u>60,165</u>
Net increase in fund balances	-	388	-	388
FUND BALANCES				
Beginning of the year	<u>-</u>	<u>242</u>	<u>-</u>	<u>242</u>
End of the year	<u>\$ -</u>	<u>\$ 630</u>	<u>\$ -</u>	<u>\$ 630</u>

ACADIA COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
And Changes In General Fixed Assets
Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
General fixed assets:				
Vehicles	\$ 174,565	\$ -	-	\$ 174,565
Furniture and equipment	70,479	18,529	(10,230)	78,778
Buildings and improvements	451,827	-	-	451,827
Land improvements	<u>26,750</u>	<u>-</u>	<u>-</u>	<u>26,750</u>
Total general fixed assets	<u>\$ 710,304</u>	<u>\$ 18,529</u>	<u>\$ (10,230)</u>	<u>\$ 731,920</u>
Investment in general fixed assets:				
Property acquired with funds from -				
Section 5311	112,722	-	-	112,722
Local	523,070	18,529	(10,230)	531,369
Title III D	2,995	-	-	2,995
Title III B	3,949	-	-	3,949
PCOA	<u>80,885</u>	<u>-</u>	<u>-</u>	<u>80,885</u>
Total investment in general fixed assets	<u>\$ 710,304</u>	<u>\$ 18,529</u>	<u>\$ (10,230)</u>	<u>\$ 731,920</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY USDA

ACADIA COUNCIL ON AGING, INC.

Balance Sheet
 Governmental Funds
 June 30, 2018
 (With Comparative Totals From Prior Year)

	<u>2018</u>	<u>2017</u>
Assets		
Cash	\$ 386,353	\$ 396,803
Cash - reserved	24,080	24,080
Grants and contracts receivable	15,263	21,766
Employee receivable	3,611	21,217
Prepaid expenditures	<u>22,180</u>	<u>14,564</u>
Total Assets	<u>\$ 451,487</u>	<u>\$ 478,430</u>
 Liabilities and Fund Balances		
Liabilities:		
Accounts payable	1,350	6,145
Accrued payroll and related benefits payable	<u>14,898</u>	<u>23,968</u>
Total Liabilities	<u>16,248</u>	<u>30,113</u>
 Fund Balances:		
Nonspendable	22,180	14,564
Restricted	24,710	24,322
Committed	-	2,440
Unassigned	<u>388,349</u>	<u>406,991</u>
Total Fund Balances	<u>435,239</u>	<u>448,317</u>
 Total Liabilities and Fund Balances	<u>\$ 451,487</u>	<u>\$ 478,430</u>

ACADIA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018
(With Comparative Totals From Prior Year)

	2018	2017
REVENUES		
Intergovernmental:		
Governor's Office of Elderly Affairs	\$ 114,744	\$ 114,744
Cajun Area Agency on Aging, Inc.	126,252	143,787
Acadia Parish Police Jury	440,188	448,025
Program Service Fees:		
Transportation	40,314	59,802
Homemaker	122	386
Home delivered meals	5,096	5,153
Congregate meals	1,932	2,177
Utility assistance	1,119	1,374
Investment income	113	132
Local and miscellaneous:		
United Way	3,874	4,387
Donations	400	125
Miscellaneous	205	991
Total Revenues	734,359	781,083
EXPENDITURES		
Health, Welfare, & Social Services		
Current:		
Personnel	375,882	353,810
Fringe	54,617	51,580
Travel	42,696	43,379
Operating Services	190,020	193,712
Operating Supplies	54,439	78,877
Other Costs	731	4,125
Capital Outlay	18,529	13,317
Debt service -		
Principal	19,469	18,217
Interest	6,151	7,324
Total Expenditures	762,534	764,341
Excess of revenues over expenditures	(28,175)	16,742
OTHER FINANCING SOURCES (USES)		
Proceeds from issuance of debt	15,097	-
Transfers in	515,246	479,029
Transfers out	(515,246)	(479,029)
Total other financing sources (uses)	15,097	-
Net increase (decrease) in fund balances	(13,078)	16,742
FUND BALANCES		
Beginning of the year	448,317	431,575
End of the year	\$ 435,239	\$ 448,317



**Darnall, Sikes
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* (Emeritus)

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

The Board of Directors
Acadia Council on Aging, Inc.
Crowley, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acadia Council on Aging, Inc., as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Acadia Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated October 19, 2018.

Internal Control Over Financial Reporting

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

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

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A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be listed as item 2018-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs listed as item 2018-002, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Acadia Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed six instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items 2018-003, 2018-004, and 2018-005.

Acadia Council on Aging, Inc.'s Response to Findings

Acadia Council on Aging, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Acadia Council on Aging, Inc.'s responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dawall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
October 19, 2018

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2018

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Acadia Council On Aging, Inc.'s financial statements as of and for the year ended June 30, 2018.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

We noted one significant deficiency less severe than a material weakness in internal control over financial reporting during the audit of the financial statements which is reported as item 2018-002 in Part II below. We noted one significant deficiency that is considered to be a material weaknesses and is listed as item 2018-001 in Part II below.

Material Noncompliance - Financial Reporting

There were three instances of noncompliance noted during the audit of the financial statements and are shown as items 2018-003, 2018-004, and 2018-005 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2018.

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

2018-001 General Fund Budget Worksheet

Condition:

The budget preparation worksheet contained formula errors which caused inaccurate budget preparation.

Criteria:

Budget preparation is dependent upon properly prepared schedules that provide for effective analysis and accurate reporting.

Cause:

The Council's budget worksheet for the general fund contained formula errors resulting in inaccurate reporting of expenditures and interfund transfers.

Effect:

Inaccurate budgeting counters fiscal responsibility.

Recommendations:

Management should correct the budget worksheets to ensure proper reporting of expenditures and interfund transfers.

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

2018-002 Cash Controls Over Client Donations

Condition:

Client donations are not being reconciled and deposited on a timely basis.

Criteria:

Any cash collected by the Council should be reconciled and deposited on a timely basis.

Cause:

Cash deposits were allowed to accumulated and were not reconciled and deposited on a timely basis.

Effect:

Ineffective controls over cash collections impose a heightened risk of misappropriation.

Recommendations:

Controls over cash should be strengthened with an increased emphasis on timely reconciliation and monitoring.

2018-003 Employee Loans

Condition:

Employee loans were not repaid in accordance with loan agreement terms.

Criteria:

In accordance with payment agreements for certain employees, payments were to be made at least bi-weekly from the respective employee payroll disbursement.

Cause:

Bi-weekly payments were not made from the respective employee payroll disbursements.

Effect:

Employees are in violation of payment agreement.

Recommendations:

The Council should monitor and ensure that appropriate deductions are being withheld from employees payroll for repayment of employee loans per payment agreement.

2018-004 Payments of Sick/Vacation Time

Condition:

Unused sick/vacation time was paid during the fiscal year without separation of employee.

Criteria:

In accordance with the Council's policy, unused vacation time can only be paid upon separation, while unused sick time is not eligible for payment.

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2018

Cause:

Unused sick/vacation time totaling \$22,349 was paid in violation of existing policy.

Effect:

The Council is in violation of existing policy.

Recommendations:

The Board should seek legal counsel in order to determine appropriate solution.

2018-005 Payment of Unearned Sick/Vacation Time

Condition:

Sick/vacation time was paid in excess of earned hours during the fiscal year.

Criteria:

In accordance with Article VII, Section 14 of the 1974 Louisiana Constitution, it is a violation to pay advances to employees.

Cause:

Sick/vacation time totaling \$5,460 was paid in excess of hours earned to certain employees.

Effect:

The payment of sick/vacation time in excess of hours earned is, in effect, an advance paid to the employee which is not allowable.

Recommendations:

The Board should seek legal counsel and pursue collection of the advance.

Part III Findings and Questioned Costs Relating to the Federal Programs

This section is not applicable for the fiscal year ended June 30, 2018

Part IV Management Letter

The auditor did not issue a management letter this year.

ACADIA COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2018

2018-001 Budget Variances

Status: This finding has been resolved.

2018-002 General Fund Budget Worksheet

Status: This finding is not resolved. See current year finding 2019-001.

2018-003 Payroll Tax Withholding of Payments of Sick/Vacation Time

Status: This finding has been resolved.

2018-004 Employee Loans

Status: This finding is not resolved. See current year finding 2019-003.

2018-005 Forgiveness of Employee Loans

Status: This finding has been resolved.

2018-006 Telephone Charges

Status: This finding has been resolved.

2018-007 Purchase of Gift Cards

Status: This finding has been resolved.

2018-008 Credit Card Rewards

Status: This finding has been resolved.

2018-009 Using Store Credit Card for Purchases

Status: This finding has been resolved.

2018-0010 Expenditures and Reimbursements for Meals, Travel, Lodging and Conferences

Status: This finding has been resolved.

ACADIA COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2018

Response to Findings:

2018-001 General Fund Budget Worksheet

Response: Formula errors will be corrected for budget worksheets to ensure proper reporting.

2018-002 Cash Controls Over Client Donations

Response: Management will increase monitoring efforts over cash donations and deposits to ensure that the funds are recorded and deposited on a timely basis.

2018-003 Employee Loans

Response: This finding was as result of overtime payments to employees approved by Acadia Council on Aging, Inc.'s Board of Directors. These payments were recommended to be repaid to the Council instead of issuing 1099 tax forms to satisfy required tax withholdings. Employees' repayments currently exceed the projected payment amounts that were to be deposited per pay period. The advance payments are within the current terms of the contract, although payments were made from unused sick/vacation time.

2018-004 Payments of Sick/Vacation Time

Response: The Council will seek Board approval to amend policy that allows unused sick/vacation time to be paid upon Board approval.

2018-005 Payment of Unearned Sick/Vacation Time

Response: The Council had underaccrued leave hours in prior years, which resulted in payments in excess of stated hours earned. The Council has begun to maintain hand schedules to accurately reflect sick/vacation hours. The Council will seek Board approval to adjust hours earned to reflect hours owed from prior years.



**Darnall, Sikes
& Frederick**

(A Corporation of Certified Public Accountants)

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* (Emeritus)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ms. Malita Bartie, Executive Director
 And Members of the Board
 Acadia Parish Council on Aging, Inc.
 Crowley, Louisiana

We have performed the procedures enumerated below, which were agreed to by Acadia Parish Council on Aging, Inc. (Entity), and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2017 through June 30, 2018. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:

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

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

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

Written policies and procedures were obtained and address functions (1), (3), (4) and (5) noted above. The written policies and procedures do not reference the function of how vendors are added to the vendor list noted above as (2).

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

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

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

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

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

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

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

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

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

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

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

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

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

The Entity is a nonprofit; therefore, not applicable.

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

The Entity is a nonprofit; therefore, not applicable.

Board (or Finance Committee, if applicable)

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

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete:

Obtained a listing of client bank accounts from management and management provided representation that the listing is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared:

Bank reconciliations have been prepared for all months during the fiscal period.

- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and:

Bank reconciliations do include evidence of management/board member's review of the bank reconciliations.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months as of the end of the fiscal period:

There are no reconciling items that have been outstanding for more than 12 months on the bank reconciliations.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete:

Obtained listing of cash collection locations and management provided representation that the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee:

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

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected:

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

c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:

- Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location:

Two of the 15 cash collections did not have support available to substantiate collection date. Cash collection documentation was obtained for the selected weeks for the remaining 13 cash collections and we noted deposits were not always made within one day of collection. The number of days from receipt to deposit are summarized below:

<u>Collection Day</u>	<u>Number of days between receipt to deposit</u>
7/11/2017	51
7/19/2017	43
7/21/2017	41
7/25/2017	37
7/26/2017	36
8/1/2017	30
12/15/2017	25
6/15/2018	3

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions:

Daily cash collections for the weeks selected are completely supported by documentation.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections:

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

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management’s representation that the listing or general ledger population is complete:

Obtained listing of disbursements and management provided representation that the listing is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system:

Examined supporting documentation for each of the disbursements selected and noted purchases were initiated using a purchase order system.

- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase:

Examined supporting documentation for each of the disbursements selected and noted appropriate approval of purchase orders by a person who did not initiate the transaction for all disbursements except for one disbursement where the purchase order was requested and approved by the executive director.

- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice:

Examined supporting documentation for each of the disbursements selected and noted appropriate purchase order, receiving report, and approved invoice.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system:

Written policies and procedures provided do not address the function of adding vendors to the entity's purchasing/disbursement system.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases:

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

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks:

Supply of unused checks are not maintained in a locked location, or with restricted access from those persons with signatory authority.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions:

The Entity does not utilize a signature stamp or signature machine.

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

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

Obtained listing of all active credit cards and management provided representation that the listing is complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner:

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]:

Examined supporting documentation for the monthly statements selected noting the statement did have written evidence of being reviewed and approved.

- b) Report whether finance charges and/or late fees were assessed on the selected statements:

There were no finance charges and/or late fees assessed on the selected monthly statements.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the cards selected (i.e. each of the cards should have one month of transactions subject to testing):

- a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased):

All transactions selected were supported by an original itemized receipt.

- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating:

Two of the sixteen transactions selected was not supported by documentation of the business/public purpose.

- Other documentation that may be required by written policy (e.g., purchase order, written authorization.):

The transactions selected had required documentations when applicable in accordance with written policy.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions:

Three of the sixteen transactions selected did not have appropriate level of approval documented.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception:

Two of the sixteen transactions selected was not supported by documentation of the business/public purpose.

Travel and Expense Reimbursement

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

Contracts

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

Payroll and Personnel

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

Ethics (excluding nonprofits)

The Entity is a nonprofit; therefore, this section is not applicable.

Debt Service (excluding nonprofits)

The Entity is a nonprofit; therefore, this section is not applicable.

Other

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

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

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

Dawall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

October 19, 2018

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October 19, 2018

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

The following is management's response to the 2017-2018 AUP report submitted for Acadia Council on Aging, Inc.

Written Policies and Procedures

1. b) Purchasing: Adding vendors to vendor list.

Response: Policies and procedures have been written and will be put in place.

Collections

6. c) Cash collections to be deposited within one day.

Response: Policies and procedures have been written and will be put in place that all monies collected will be deposited weekly. Additionally, all deposits will have appropriate supporting documentation attached.

Disbursements

10. Adding vendors to vendor list.

Response: Policies and procedures have been written and will be put in place.

12. Access to unused blank checks.

Response: All blank checks are now stored in a locked security box with restricted access.

Credit Cards

16. a) Documentation of business purpose.

Response: The transactions viewed with noted exceptions occurred prior to the performance of our FYE 2017 AUP. Recommendations to ensure all purchases have documentation of business purposes have since been put in place.

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16. b) Approval of credit card purchases.

Response: The transactions viewed with noted exceptions occurred prior to the performance of our FYE 2017 AUP. Recommendations to ensure all purchases have appropriate approval have since been put in place.

16. c) Documentation of business purpose.

Response: The transactions viewed with noted exceptions occurred prior to the performance of our FYE 2017 AUP. Recommendations to ensure all purchases have documentation of business purposes have since been put in place.