

CAJUN AREA AGENCY ON AGING, INC.
Lafayette, Louisiana

Financial Report

Year Ended June 30, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of Cajun Area Agency on Aging, Inc.'s financial performance provides an overview of the Agency's financial activities for the year ended June 30, 2017. This document focuses on the current year's activities, resulting changes, and currently known facts. This document should be read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The Agency showed a net increase in overall net position of \$188,220 or 8% this year.

Net Capital Assets of the Agency decreased by \$19,292 or 5%. The decrease is attributed to depreciation expense.

The unassigned fund balance for the Agency's General Fund was \$1,895,337 at year-end which is a \$181,777 increase from the prior year.

Revenues for the current fiscal year totaled \$4,107,321, a decrease of \$8,331 from the previous fiscal year.

Program expenditures represent 92% of total expenditures, with Supportive and Nutritional Services representing 82% of program activities.

HOW TO USE THIS ANNUAL REPORT

The Agency's annual financial report consists of six main parts:

1. Management's discussion and analysis (this section)
2. The basic financial statements (government-wide and fund)
3. Supplementary information required by GASB 34
4. Supplementary information required by GOEA
5. Supplementary information required by the Uniform Guidance, and
6. Auditor reports.

Government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities (on pages 12 through 14). These financial statements provide information about the activities of the Agency as a whole and present a longer-term view of the Agency's finances. In contrast, fund financial statements, which consist of the Fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances (on pages 16 through 17), tell how services were financed in the short-term, as well as what remains for future spending for governmental funds. Fund financial statements also report the Agency's operations in more detail than the government-wide statements by providing information about the Agency's most significant funds.

The auditor has provided assurance in his independent auditor's report, located immediately after this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. The auditor is providing varying degrees of assurance about Supplementary Financial Information Required by GASB Statement 34 and GOEA that follow later in this reporting package. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each part of the financial section of the report.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Government-Wide Financial Statements

BASIC FINANCIAL STATEMENTS

The basic financial statements consist of the government-wide financial statements and fund financial statements, which present different views about the Agency, along with notes to the financial statements.

Management's analysis of the Agency as a whole begins on page 4. When reading these financial statements, an important point to consider is whether the Agency's finances as a whole, are better or worse off as a result of this year's activities. The Statement of Net Position and the Statement of Activities, referred to collectively as the Government-Wide Financial Statements, report information about the Agency as a whole and about its activities in a way that helps when considering this point. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. Also, under the accrual basis, all current year revenues and expenses are taken into account regardless of when cash is received or paid.

The Government-Wide statements report the Agency's net position and changes in it. The Agency has a restricted net position of \$328,262 which must be used for specific purposes, whereas \$1,874,442 of net position is unrestricted, meaning that it can be used for any program at management's discretion. The Statement of Net Position is designed to present the financial position of the Agency as of year-end. Over time, increases or decreases in the Agency's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Agency, the reader must consider other nonfinancial factors, such as the condition of the Agency's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The Statement of Activities provides information that shows how the Agency's net position changed as a result of this year's activities. In this statement all changes in net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will affect cash flows in future periods. All of the Agency's significant activities are reported in the Statement of Activities, including an Administration function and a Health, Welfare, and Social Services function. The Health, Welfare, and Social Services function is comprised of various programs that include various supportive social services, nutritional services, utility assistance, and disease prevention and health promotion, family caregiver support, senior citizen activities, and Medicare outreach and enrollment. Subprograms activities are also presented, in some cases, to help the reader analyze the Agency's operations in more detail. All activities of the Agency are considered to be governmental activities. A governmental activity is one where the Agency uses money it receives from government grants and contracts, along with donations from the general public, to provide services at no charge to the general public, or a segment of the general public, such as the elderly. In other words, the people benefiting from the services are not required to pay for what they receive. If the Agency charged fees with the intent to cover all or most of the cost of providing a service, that activity would be classified as a business-type activity. The Agency does not have any business-type activities.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds, not the Agency as a whole entity. In the fund financial statements, there are column presentations for a General Fund, Special Revenue Funds that have been determined to be "Major Funds," and a column for the total of all remaining Special Revenue Funds, which are deemed to be "Nonmajor Funds." Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but is believed to be important for the Agency's financial statement users. The General Fund is used to account for all financial resources except those that are required to be accounted for in another fund. The Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditure for specified purposes other than debt service or capital projects. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other money.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the fund financial statements and should be read before making assumptions or drawing conclusions about the Agency's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB STATEMENT 34

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 Agency's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Agency to present combining statements that provide details about non-major governmental funds and details about capital assets and the changes in capital assets. This information will be used by GOEA to verify the accuracy of information submitted to them during the year and to help monitor certain compliance requirements set forth in the grants that it has with the Agency.

OMB's Uniform Guidance requires a Schedule of Expenditures of Federal Awards to be included as supplemental information. This schedule will present information about the Agency's federally funded programs in a manner that can facilitate financial and compliance analysis by the agencies that have granted federal money to the Agency.

ANALYSIS OF THE AGENCY AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects condensed information on the Agency's assets, liabilities, and net position for fiscal years ended June 30, 2017 and 2016:

Condensed Statement of Net Position			
	2017	2016	Increase (Decrease)
Cash	\$ 2,526,007	\$ 2,278,023	\$ 247,984
Accounts receivable	10,301	9,693	608
Prepaid Expenses	3,163	1,510	1,653
Capital assets, net of accumulated depreciation	<u>388,404</u>	<u>407,696</u>	<u>(19,292)</u>
Total Assets	<u>2,927,875</u>	<u>2,696,922</u>	<u>230,953</u>
Accounts payable	315,872	270,680	45,192
Accrued compensated absences	<u>20,895</u>	<u>23,354</u>	<u>(2,459)</u>
Total Liabilities	<u>336,767</u>	<u>294,034</u>	<u>42,733</u>
Invested in capital assets, net of related debt	388,404	407,696	(19,292)
Restricted	328,262	304,987	23,275
Unrestricted	<u>1,874,442</u>	<u>1,690,205</u>	<u>184,237</u>
Total Net Position	<u>\$ 2,591,108</u>	<u>\$ 2,402,888</u>	<u>\$ 188,220</u>

As of June 30, 2017, the Agency "as a whole" had assets greater than its liabilities by \$2,591,108 whereas at June 30, 2016 net position was \$2,402,888. This is an increase of \$188,220 or about 8% in net position.

Approximately 72.34% and 70.34% of the Agency's total net position is unrestricted as of June 30, 2017 and 2016, respectively. Unrestricted net position is important because they provide the discretionary resources management will need so that it can quickly adapt to changes in the economy, emergencies, unexpected needs, and reductions in or termination of grant revenues by government agencies.

The Agency's restricted net position represents 12.67% and 12.69% of the Agency's total net position as of June 30, 2017 and 2016, respectively. Net position is reported as restricted when the constraints placed upon the asset's use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The liability for compensated absences decreased \$2,459 during the year. This liability represents what the Agency would owe to its employees as of year-end for unused vacation leave. If employee vacation patterns are similar from year to year and the number of employees remains about the same, then the amount owed at year-end will not change very much from the prior year.

This liability could adversely affect the Agency's financial position if we were to have to lay off a significant portion of our workforce. This event would trigger the immediate payment of unused vacation to the terminated employees resulting in the Agency having to use unrestricted net position to make the payments.

The following table reflects condensed information on the Agency's change in net position for fiscal years 2017 and 2016:

Condensed Statement of Activities

	<u>2017</u>	<u>% of Total</u>	<u>2016</u>	<u>% of Total</u>
Revenues				
Program Revenues	\$ 3,914,283	95.30%	\$ 3,941,312	95.76%
General Revenues	<u>193,038</u>	<u>4.70%</u>	<u>174,338</u>	<u>4.24%</u>
Total Revenues	<u>4,107,321</u>	<u>100.00%</u>	<u>4,115,650</u>	<u>100.00%</u>
Direct Program Expenses of the Health, Welfare, and Social Services Function				
Supportive Services	645,223	16.46%	645,223	16.64%
Nutrition Services	2,284,373	58.29%	2,243,347	57.86%
Disease Prevention and Health Promotion	39,401	1.01%	39,376	1.02%
National Family Caregiver Support	254,766	6.50%	264,775	6.83%
Ombudsman	128,518	3.28%	128,229	3.31%
Audit	104,250	2.66%	97,450	2.51%
SenioRx/ ADRC	131,620	3.36%	133,191	3.44%
Direct administrative expenses	<u>330,950</u>	<u>8.44%</u>	<u>325,472</u>	<u>8.39%</u>
Total expenses	<u>3,919,101</u>	<u>100.00%</u>	<u>3,877,063</u>	<u>100.00%</u>
Increase (decrease) in net position	188,220		238,587	
Net position, beginning	<u>2,402,888</u>		<u>2,164,301</u>	
Net position, end of the year	<u>\$ 2,591,108</u>		<u>\$ 2,402,888</u>	

As illustrated by the table above, the Agency gets most of its revenues from operating grants and contributions that are specifically related to a program and must be used in the programs to which they relate. Unrestricted grants and contributions make up the second largest percentages of revenues and this revenue is available to management to use at its discretion. Charges for services arise from fees the Agency has charged for providing a particular service and this revenue is used to pay for the expenses of the programs for which the fees were charged.

The expenses in the table have been presented by primary programs. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Agency before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Agency has spent its money this year and last year. The expense allocations are a good indication of the demand for each type of service.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

The Agency had a \$188,220 increase in its net position for FY 2017, whereas the increase in net position for FY 2016 was \$238,587. There is a reconciliation that follows the Statement of Revenues, Expenditures, and Changes in Fund Balances that presents an analysis of why there are differences between that particular fund financial statement and the government-wide Statement of Activities for FY 2017.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

Most of the Agency's activities are funded by federal, state, and local grants. These grants amount to approximately 95% and 96% of the governmental activity related revenues of the Agency in 2017 and 2016, respectively. Some of these grants are restricted which means that the money can only be used in certain programs. The amount of funds available from most of the grants remains rather constant from year to year, however, some grant amounts may change based upon the level of service provided by the Agency under the terms of the particular grant award.

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

When reviewing the Government-Wide Statement of Activities, there are relationships that are important to the understanding of the Agency's operations. The Agency's main focus is to meet the needs of the elderly citizens of Acadiana. There is a high demand for these services; therefore, resources are channeled to meeting the demand.

You will also note that most of the governmental activities have more expenses than revenues. We expect this situation to occur and have prepared the Agency's budgets for these activities with this in mind. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities.

Another indication of how we are using money efficiently can be analyzed by comparing the amount of administration costs from year to year as well as calculating the percentage administration expenses bears in relation to total expenses. For 2017, total administration expenses were \$330,950, or 8% of total expenses. In comparison, total administration expenses for last year were \$325,472, or 8%.

Finally, there is one program that has revenues greater than expenses, including transfers, for the year. This program is the NSIP program. Depending on the demand for and efficiency of the programs it is possible that some revenue received from these sources may not be needed this year to help pay for all the program's costs. Any unused revenue may be used to supplement other programs or carried over to the next year for future use.

AN ANALYSIS OF THE AGENCY'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The Agency showed a combined governmental fund balance of \$2,223,599 (as shown on the Fund Financial Statement's balance sheet at page 16) at the end of this year, which is an increase of \$205,052 from last year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Revenues

The combined fund revenues remained consistent with the prior year revenues, decreasing by \$8,331, which is a .2% decrease from last year.

Expenditures

Total expenditures increased by \$36,508 this year, or .9%. The majority of the increase is attributable to a increase in meal costs.

AN ANALYSIS OF THE GENERAL AND MAJOR SPECIAL REVENUE FUND BUDGETS

You can find schedules of the original and amended budgets for the general and major special revenue funds in the Supplementary Financial Information Required by GASB Statement 34 section of this report beginning on page 35.

AN ANALYSIS OF CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the fiscal year, the Agency had \$388,404 in fixed assets net of accumulated depreciation. This represents a net decrease of \$19,292 from last year and is attributable to depreciation expense.

We have already discussed the nature and effects of the compensated absences liability.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The Agency receives most of its funding from federal and state agencies. Because of this, the source of income for the Agency is rather steady. However, some of the Agency's grants and contracts are contingent upon the level of service provided by the Agency, and therefore, revenues may vary from year to year. In setting its budget for the fiscal year 2018, it was important that we deliver at least the same level of service as we did in 2017.

All of the Agency's grants and contracts from the usual federal and state agencies have been approved for FY 2018. There have been no significant changes to the funding levels or terms of the grants and contracts. Accordingly, we have set our initial budget to provide the same programs and levels of service next year. GOEA has also approved the Agency's budget for next year.

CONTACTING THE AGENCY'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Agency's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mrs. Shannon Broussard, the Agency's Executive Director, at the Agency's main office located at 110 Toledo Drive, Lafayette, LA, by phone at 337-572-8940.

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
 Cajun Area Agency on Aging, Inc.
 Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cajun Area Agency on Aging, Inc., as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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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 Cajun Area Agency on Aging, Inc., as of June 30, 2017, 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 management's discussion and analysis and budgetary comparison information on pages 1 through 7 and 35 through 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cajun Area Agency on Aging, Inc.'s basic financial statements. The schedule of nonmajor funds and the comparative schedule of general fixed assets on pages 41 through 42 and are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of nonmajor funds, comparative schedule of general fixed assets, and the schedule of expenditures of federal awards 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 the schedule of expenditures of federal awards 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 August 15, 2017, on our consideration of the Cajun Area Agency 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 Cajun Area Agency on Aging, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

August 15, 2017

GOVERNMENT WIDE FINANCIAL STATEMENTS

CAJUN AREA AGENCY ON AGING, INC.

Government Wide Statement of Net Position
June 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 2,526,007
Accounts receivable	10,301
Prepaid expenses	3,163
Capital assets, net of accumulated depreciation	<u>388,404</u>
Total Assets	<u>2,927,875</u>
LIABILITIES	
Accounts payable	315,872
Accrued compensated absences	<u>20,895</u>
Total Liabilities	<u>336,767</u>
NET POSITION	
Invested in Capital Assets, net of debt	388,404
Restricted for:	
Prepaid expenses	3,163
NSIP	325,099
Unrestricted	<u>1,874,442</u>
Total Net Position	<u>\$ 2,591,108</u>

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2017

	Direct Expenses	Indirect Expenses
Function/Programs		
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services	\$ 645,223	\$ -
Nutrition Services:		
Congregate meals	499,206	-
Home delivered meals	1,785,167	-
Disease Prevention and Health Promotion	39,401	-
National Family Caregiver Support	254,766	-
NSIP	-	-
Ombudsman	128,518	-
Audit	104,250	-
SenioRx/ ADRC	131,620	-
Administration	330,950	-
Total governmental activities	\$ 3,919,101	\$ -

Program Revenues			Net (Expense) Revenue and Increases (Decreases) in Net Position
Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
\$ -	\$ 645,223	\$ -	\$ -
-	483,429	-	(15,777)
-	1,381,564	-	(403,603)
-	39,401	-	-
-	254,766	-	-
-	426,003	-	426,003
-	126,815	-	(1,703)
-	104,250	-	-
-	121,882	-	(9,738)
-	330,950	-	-
<u>\$ -</u>	<u>\$ 3,914,283</u>	<u>\$ -</u>	<u>\$ (4,818)</u>

General Revenues:

Grants and contributions not restricted to specific programs	158,077
Unrestricted Investment Income	1,221
Miscellaneous	<u>33,740</u>
Total general revenues, transfers and special items	<u>193,038</u>
Increase in net position	188,220
Net position - beginning	<u>2,402,888</u>
Net position - end of the year	<u>\$ 2,591,108</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CAJUN AREA AGENCY ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2017

	General Fund	Title III B	Title III C-1	Title III C-2	NSIP	Non-Major Funds	Total
ASSETS							
Cash	\$ 2,200,908	\$ -	\$ -	\$ -	\$ 325,099	\$ -	\$ 2,526,007
Accounts receivable	10,301	-	-	-	-	-	10,301
Prepaid expenses	3,163	-	-	-	-	-	3,163
Total Assets	<u>\$ 2,214,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,099</u>	<u>\$ -</u>	<u>\$ 2,539,471</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	<u>315,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,872</u>
Total Liabilities	<u>315,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,872</u>
FUND BALANCES							
Nonspendable							
Prepaid expenses	3,163	-	-	-	-	-	3,163
Restricted for:							
NSIP	-	-	-	-	325,099	-	325,099
Unassigned	<u>1,895,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,895,337</u>
Total Fund Balances	<u>1,898,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>325,099</u>	<u>-</u>	<u>2,223,599</u>
Total Liabilities and Fund Balances	<u>\$ 2,214,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,099</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the statement of net position is different because:

- Compensated absences are not paid for out of current financial resources and therefore are not reported in the funds (20,895)

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 388,404

Net position of governmental activities \$ 2,591,108

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2017

	General Fund	Title III B	Title III C-1	Title III C-2	NSIP	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 272,427	\$ 645,223	\$ 483,429	\$ 1,381,564	\$ 426,003	\$ 664,464	\$ 3,873,110
Investment Income	1,221	-	-	-	-	-	1,221
Local and Miscellaneous:							
Rental income	95,000	-	-	-	-	-	95,000
Miscellaneous	33,740	-	-	-	-	104,250	137,990
Total Revenues	<u>402,388</u>	<u>645,223</u>	<u>483,429</u>	<u>1,381,564</u>	<u>426,003</u>	<u>768,714</u>	<u>4,107,321</u>
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	118,295	-	-	-	-	148,218	266,513
Fringe	46,864	-	-	-	-	50,020	96,884
Travel	2,007	-	-	-	-	10,525	12,532
Operating services	91,595	-	-	-	-	85,563	177,158
Operating supplies	2,302	-	-	-	-	5,213	7,515
Other costs	53,054	-	-	-	-	104,250	157,304
Service providers	-	645,223	499,206	1,785,167	-	254,766	3,184,362
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	<u>314,117</u>	<u>645,223</u>	<u>499,206</u>	<u>1,785,167</u>	<u>-</u>	<u>658,555</u>	<u>3,902,268</u>
Excess (deficiency) of revenues over expenditures	<u>88,271</u>	<u>-</u>	<u>(15,777)</u>	<u>(403,603)</u>	<u>426,003</u>	<u>110,159</u>	<u>205,053</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	121,600	-	15,777	403,603	-	11,441	552,421
Transfers out	(26,441)	-	-	-	(404,380)	(121,600)	(552,421)
Total other financing sources and uses	<u>95,159</u>	<u>-</u>	<u>15,777</u>	<u>403,603</u>	<u>(404,380)</u>	<u>(110,159)</u>	<u>-</u>
Net Increase (Decrease) in fund balances	183,430	-	-	-	21,623	-	205,053
FUND BALANCES							
Beginning of the year	<u>1,715,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,476</u>	<u>-</u>	<u>2,018,546</u>
End of the year	<u>\$ 1,898,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 325,099</u>	<u>\$ -</u>	<u>\$ 2,223,599</u>

The accompanying notes are an integral part of this statement.

CAJUN AREA AGENCY 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, 2017

Net Increase in fund balances - total governmental funds	\$ 205,053
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$19,292) exceed capital outlays (\$0) during the period.</p>	(19,292)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Compensated absences	<u>2,459</u>
Increase in net position of governmental activities	<u>\$ 188,220</u>

The accompanying notes are an integral part of this statement

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Purpose of the Agency on Aging

The purpose and function of the Cajun Area Agency on Aging, Inc. is to develop a comprehensive and coordinated service delivery system for the elderly and serve as the advocate and focal point for older persons by entering into agreements with the Governor's Office of Elderly Affairs and with providers of supportive and nutrition services. "Comprehensive and coordinated system" refers to a program of interrelated supportive and nutrition services designed to meet the needs of older persons in each planning and service area. This system is to be developed by the Agency over a period of time. The Cajun Area Agency on Aging, Inc. performs these functions throughout an eight parish area of South Louisiana.

B. Reporting Entity

In 1974, Gubernatorial Executive Order No. 54 initially established area agencies on aging. Gubernatorial Executive Order No. 80-16 of 1989 authorized the Governor's Office of Elderly Affairs to designate planning and service areas to coincide with the geographic boundaries of the 64 parishes of the state, and to designate area agencies therein. An area agency must be an organization whose single purpose is to administer programs for older persons, or a multipurpose agency with the authority and capacity to administer human services in the planning and service area. If it is a multipurpose agency, the Area Agency on Aging, Inc. must designate all its authority and responsibility for carrying out the responsibilities listed below to a single organizational unit in the agency unless the agency receives a waiver of this requirement from the Governor's Office of Elderly Affairs.

C. Presentation of Statements

The Agency's statements are prepared in accordance with accounting principles generally accepted (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements.

D. Basic Financial Statements - Government-Wide Statements

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

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Accordingly, the Government-Wide financial statements do not include any of these activities or funds.

In the Government-Wide Statement of Net Position, the governmental type activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Agency's net position is reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. Invested in capital assets, net of related debt consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. Restricted net position consists of net 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 includes all other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Quite often unrestricted resources are available for use that must be consumed or they will have to be returned to GOEA. In such cases it is better for management to elect to apply and consume the unrestricted resources before using the restricted resources. As a result, the Agency will depart from its usual policy of using restricted resources first.

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

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

E. Basic Financial Statements - Fund Financial Statements

The financial transactions of the Agency are reported in individual funds in the Fund Financial Statements. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

activities are controlled. The various funds are reported by generic classification within the financial statements.

The Agency uses governmental fund types. The emphasis on fund financial statements is on major governmental funds. A fund is considered major if it is the primary operating fund of the Agency or if its total assets, liabilities, revenues, or expenditures/expenses are at least 10% of the corresponding total for all funds of that category or type and at least 5% of the corresponding total for all governmental funds combined. In addition, a major fund could be a fund that does not meet these criteria but which management believe is important to present as such for the financial statement users.

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

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

The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another 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 unassigned, 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.

The Title III-C Area Agency Administration (AAA) Fund is used to account for the administration of special programs for the aging.

The Provider Fund is used to account for additional meals provided that are not included in either the C-1 or C-2 programs.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. A large percentage of the Agency's special revenue funds are Corporation for National and Community Service and Title III funds. The Title III 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 Agency directly or through the Cajun Area Agency on Aging, Inc.

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

Major Special Revenue Funds

The Title III B Fund is used to account for funds, which are to provide a variety of social services; such as information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

The Title III C-1 Fund is used to account for funds that are used to provide nutritional, congregate meals to the elderly in strategically located centers.

The Title III C-2 Fund is used to account for funds that are used to provide nutritional home delivered meals to homebound older persons.

The N.S.I.P. Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Agency. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Non-Major Special Revenue Funds

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

The Title III D Fund is used to account for funds that are used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically under-served and in which there are a large number of older individuals who have the greatest economic and social need.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

The Title III E Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Agency's financial statements.

The SenioRx Program Fund helps link eligible seniors with assistance for obtaining their prescription medications.

The MIPPA Fund is used to account for the Medicare Improvements for Patients and Providers Act funds that are used to reach out and inform consumers about the Medicare Part D Extra Help/Low-Income Subsidiary (LIS) and the Medicare Savings Programs (MSP).

F. Measurement Focus and Basis of Accounting

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

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

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

Modified Accrual Basis – Fund Financial Statements (FFS):

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., when they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Agency considers all revenues "available" if they are collected within 60 days after year-end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred. The exceptions to this general rule are that (1) unmatured principal and interest on long-term debt, if any, are recorded when due and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

G. Interfund Activity

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

H. Cash and Cash Equivalents

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

I. Investments

GASB Statement 31 requires the Agency to report its investments at fair value, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided that the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors.

Investments that include securities traded on a national or international exchange are valued based on their last reported sales price. Investments that do not have an established market are reported at estimated fair value. The Agency did not have any investments at the year ended June 30, 2017.

J. Receivables

The financial statements for the Agency 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.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

K. Capital Assets

The accounting and reporting treatment used for property 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 that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

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

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

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

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

Fund Financial Statements

In the fund financial statements, capital assets used in the Agency'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.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

L. Unpaid Compensated Absences

The Agency's policy 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. An amount is added to this total for social security and Medicare taxes.

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 Agency. Accordingly, no amounts have been accrued as fund liabilities as of year-end in the Fund Financial Statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

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

M. Net Position in the Government-wide Financial Statements

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

- Invested in capital assets – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. At year-end the Agency did not have any borrowings that were related to 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 does not meet the definition of "restricted" or "invested in capital assets."

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

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

N. Fund Equity – Fund Financial Statements

Governmental fund equity is classified as fund balance. In accordance with GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definition*, 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 expenses of \$3,163 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 Agency has a restricted fund balance of \$325,099 as of June 30, 2017, which represents the grantors' restriction of resources to be used for meals.

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the Agency's board of directors, which is the Agency'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 Agency did not have any committed resources as of year end.
- **Assigned:** This classification includes amounts that are constrained by the Agency's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Agency'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 Agency did not have any assigned resources as of year end.
- **Unassigned:** This classification is the residual fund balance of the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

O. Management's Use of Estimates

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

P. 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.

Q. Deferred Revenues

The Agency reports deferred revenues on its Statement of Net Position and on the balance sheet of the Fund Financial Statements. Deferred revenues arise when the Agency 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 Agency has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. The Agency did not have any deferred revenues at year end.

R. Subsequent Events

Management has evaluated subsequent events through August 15, 2017, the date the financial statements were available to be issued.

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 REVENUE RECOGNITION

Revenues are recorded in the Government-Wide 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 are usually 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 Agency based on the units of service provided within the guidelines of the related program.

NOTE 3 CASH MANAGEMENT, DEPOSITS AND INVESTMENTS

The Agency 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.

As described by Louisiana law, the Agency is classified as a quasi-public entity. Accordingly, the Agency is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Agency'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 Agency's cash balances on its books was \$2,526,007, whereas the related bank balances totaled \$2,615,993. 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.

Cash	Cost	Fair Value	Interest Rate	Maturity	Credit Risk Category
Cash:					
Regions Bank - Operating	\$1,932,775	\$1,932,775	0.05%	Demand	Category 1
Regions Bank - Money Market	676,162	676,162	0.08%	Demand	Category 1
Regions Bank - Payroll	7,056	7,056	None	Demand	Category 1
Total Cash	<u>\$ 2,615,993</u>	<u>\$ 2,615,993</u>			
Unrestricted Purpose	\$ 2,290,894				
Restricted Purpose:					
NSIP	<u>325,099</u>				
Total Cash	<u>\$ 2,615,993</u>				

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT, DEPOSITS AND INVESTMENTS (Continued)

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017 consist of the following:

<u>Program</u>	<u>Amount</u>
C-1 & C-2 Meal Costs	<u>\$ 10,301</u>
	<u><u>\$ 10,301</u></u>

NOTE 5 CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2017</u>
Capital Assets				
Furniture & equipment	\$ 66,674	\$ -	\$ -	\$ 66,674
Building improvements	<u>626,164</u>	<u>-</u>	<u>-</u>	<u>626,164</u>
Subtotal	<u>692,838</u>	<u>-</u>	<u>-</u>	<u>692,838</u>
Accumulated depreciation				
Furniture & equipment	52,878	3,638	-	56,516
Building improvements	<u>232,264</u>	<u>15,654</u>	<u>-</u>	<u>247,918</u>
Subtotal	<u>285,142</u>	<u>19,292</u>	<u>-</u>	<u>304,434</u>
Net capital assets	<u>\$ 407,696</u>	<u>\$ (19,292)</u>	<u>\$ -</u>	<u>\$ 388,404</u>

Depreciation was charged to governmental activities totaling \$19,292 as administration expense for the year ended June 30, 2017.

NOTE 6 CHANGES IN COMPENSATED ABSENCES

The Agency had long-term debt relating to compensated absences for the year ended June 30, 2017. The following is a schedule of the changes in long-term debt for the accrued compensated absences:

	<u>Balance July 1, 2016</u>	<u>Net Change</u>	<u>Balance June 30, 2017</u>	<u>Due within one year</u>
Accrued annual leave	<u>\$ 23,354</u>	<u>\$ (2,459)</u>	<u>\$ 20,895</u>	<u>\$ 20,895</u>
Total long-term debt	<u>\$ 23,354</u>	<u>\$ (2,459)</u>	<u>\$ 20,895</u>	<u>\$ 20,895</u>

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CONTINGENCIES-GRANT PROGRAMS

The Agency 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 Agency 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 provisions has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any costs that would be disallowed would be recognized in the period agreed upon by the grantor agency and the Agency.

NOTE 8 INCOME TAX STATUS

The Agency, 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 Agency engage in activities unrelated to its exempt purpose, taxable income could result. The Agency had no material unrelated business income for the fiscal year under audit.

NOTE 9 JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Agency as of year-end. The Agency's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Agency's financial statements.

NOTE 10 FUND BALANCES – FUND FINANCIAL STATEMENTS

The Agency has \$325,099 of restricted funds due to the constraints placed on the use of money through the NSIP program.

NOTE 11 ECONOMIC DEPENDENCY

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

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 12 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for travel expenses incurred in accordance with the Agency's travel policies.

The payments to the following board members for travel expenses based on actual mileage:

Bernice Borel	\$ 265
Etta Brew	122
Winnie Broussard	367
Margaret Carron	49
Richard Charles	242
Farn Davidson	147
Verna Guillory	449
John Keenze	306
Joanie Schendel	<u>51</u>
Total	<u>\$ 1,998</u>

NOTE 13 RELATED PARTY TRANSACTIONS

There were no related party transactions during the fiscal year.

NOTE 14 RISK MANAGEMENT

The Agency 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 Agency 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 Agency's insurance coverage. The Agency'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 COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO DIRECTOR

A detail of compensation, benefits, and other payments made to Director Shannon Broussard for the year ended June 30, 2017 follow:

Purpose	Amount
Salary	\$ 92,188
Travel	898
Insurance	<u>9,481</u>
Total	<u><u>\$ 102,567</u></u>

CAJUN AREA AGENCY ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 16 INTERFUND TRANSFERS

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 in other funds in accordance with budgetary authorizations.

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

Interfund transfers to and from are listed by fund for the fiscal year as follows:

	Funds Transferring In:					Totals
	General Fund	Title III C-1	Title III C-2	Ombudsman	SenioRx/ADRC	
<u>Funds Transferring Out:</u>						
General Fund	\$ -	\$ -	\$ -	\$ 1,703	\$ 9,738	\$ 11,441
Providers	-	-	15,000	-	-	15,000
Total General Fund	-	-	15,000	1,703	9,738	26,441
Major Funds:						
NSIP	-	15,777	388,603	-	-	404,380
Non-Major Funds:						
MIPPA	121,600	-	-	-	-	121,600
Total Special Revenue Funds	121,600	15,777	388,603	-	-	525,980
Total all funds	\$ 121,600	\$ 15,777	\$ 403,603	\$ 1,703	\$ 9,738	\$ 552,421

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 1,715,070	\$ 1,715,070	\$ 1,715,070	\$ -
Resources (inflows):				
GOEA	272,175	272,427	272,427	-
Rental revenue	95,000	95,000	95,000	-
Local and miscellaneous	17,765	33,740	33,740	-
Interest	1,721	1,221	1,221	-
Transfers in	113,150	121,600	121,600	-
Amounts available for appropriation	<u>2,214,881</u>	<u>2,239,058</u>	<u>2,239,058</u>	<u>-</u>
Charges to appropriations (outflows):				
Personnel & fringe	168,740	162,543	165,159	(2,616)
Travel	2,234	2,034	2,007	27
Operating services	91,736	90,995	91,595	(600)
Operating supplies	2,302	2,302	2,302	-
Other costs	57,700	57,700	53,054	4,646
Capital outlay	-	-	-	-
Transfers out	24,984	24,984	26,441	(1,457)
Total charges to appropriations	<u>347,696</u>	<u>340,558</u>	<u>340,558</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ 1,867,185</u>	<u>\$ 1,898,500</u>	<u>\$ 1,898,500</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III B
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	<u>645,223</u>	<u>645,223</u>	<u>645,223</u>	<u>-</u>
Amounts available for appropriation	<u>645,223</u>	<u>645,223</u>	<u>645,223</u>	<u>-</u>
Charges to appropriations (outflows):				
Service providers	<u>645,223</u>	<u>645,223</u>	<u>645,223</u>	<u>-</u>
Total charges to appropriations	<u>645,223</u>	<u>645,223</u>	<u>645,223</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-1
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance (deficit), July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	483,429	483,429	483,429	-
Transfers In	<u>21,215</u>	<u>21,215</u>	<u>15,777</u>	<u>(5,438)</u>
Amounts available for appropriation	<u>504,644</u>	<u>504,644</u>	<u>499,206</u>	<u>(5,438)</u>
Charges to appropriations (outflows):				
Service providers	<u>504,644</u>	<u>504,644</u>	<u>499,206</u>	<u>5,438</u>
Total charges to appropriations	<u>504,644</u>	<u>504,644</u>	<u>499,206</u>	<u>5,438</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental	1,381,564	1,381,564	1,381,564	-
Transfers in	<u>421,135</u>	<u>421,135</u>	<u>403,603</u>	<u>(17,532)</u>
Amounts available for appropriation	<u>1,802,699</u>	<u>1,802,699</u>	<u>1,785,167</u>	<u>(17,532)</u>
Charges to appropriations (outflows):				
Service providers	<u>1,802,699</u>	<u>1,802,699</u>	<u>1,785,167</u>	<u>17,532</u>
Total charges to appropriations	<u>1,802,699</u>	<u>1,802,699</u>	<u>1,785,167</u>	<u>17,532</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CAJUN AREA AGENCY ON AGING, INC.

Budgetary Comparison Schedule
 NSIP
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 303,476	\$ 303,476	\$ 303,476	\$ -
Resources (inflows):				
Intergovernmental	426,003	426,003	426,003	-
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Amounts available for appropriation	<u>729,479</u>	<u>729,479</u>	<u>729,479</u>	<u>-</u>
Charges to appropriations (outflows):				
Transfers out	<u>404,380</u>	<u>404,380</u>	<u>404,380</u>	<u>-</u>
Total charges to appropriations	<u>404,380</u>	<u>404,380</u>	<u>404,380</u>	<u>-</u>
Budgetary fund balance, June 30	<u>\$ 325,099</u>	<u>\$ 325,099</u>	<u>\$ 325,099</u>	<u>\$ -</u>

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Non-Major Special Revenue Funds
Year Ended June 30, 2017

	Ombudsman	Title III D	Title III E	Audit	SenioRx/ ADRC	MIPPA	Total
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 126,815	\$ 39,401	\$ 254,766	\$ -	\$ 121,882	\$ 121,600	\$ 664,464
Local and Miscellaneous:							
Miscellaneous	-	-	-	104,250	-	-	104,250
Total Revenues	126,815	39,401	254,766	104,250	121,882	121,600	768,714
EXPENDITURES							
Current:							
Personnel	50,690	17,702	-	-	79,826	-	148,218
Fringe	23,901	5,202	-	-	20,917	-	50,020
Travel	8,331	948	-	-	1,246	-	10,525
Operating services	44,652	13,023	-	-	27,888	-	85,563
Operating supplies	944	2,526	-	-	1,743	-	5,213
Other costs	-	-	-	104,250	-	-	104,250
Service providers	-	-	254,766	-	-	-	254,766
Capital outlay	-	-	-	-	-	-	-
Total Expenditures	128,518	39,401	254,766	104,250	131,620	-	658,555
Excess (deficiency) of revenues over expenditures	(1,703)	-	-	-	(9,738)	121,600	110,159
OTHER FINANCING SOURCES (USES)							
Transfers in	1,703	-	-	-	9,738	-	11,441
Transfers out	-	-	-	-	-	(121,600)	(121,600)
Total other financing sources and uses	1,703	-	-	-	9,738	(121,600)	(110,159)
Net Increase (Decrease) in fund balances	-	-	-	-	-	-	-
FUND BALANCES							
Beginning of the year	-	-	-	-	-	-	-
End of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CAJUN AREA AGENCY ON AGING, INC.

Comparative Schedule of General Fixed Assets
And Changes In General Fixed Assets
Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
General fixed assets:				
Leasehold improvements	\$ 626,355	\$ -	\$ -	\$ 626,355
Furniture and equipment	<u>66,483</u>	<u>-</u>	<u>-</u>	<u>66,483</u>
Total general fixed assets	<u>\$ 692,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,838</u>
Investment in general fixed assets:				
Local	616,732	-	-	616,732
Title III-C-1	48,515	-	-	48,515
Ombudsman	5,693	-	-	5,693
SenioRx	9,564	-	-	9,564
Aging & Disabled Adults Resource Center	<u>12,334</u>	<u>-</u>	<u>-</u>	<u>12,334</u>
Total investment in general fixed assets	<u>\$ 692,838</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 692,838</u>

**SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY
THE UNIFORM GUIDANCE**

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTORS/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR ENDED</u>
<u>U.S. Department of Health and Human Services - Administration on Aging</u>		
Passed through the Governor's Office of Elderly Affairs:		
Special Programs for the Aging :		
Title III, Part B - Supportive Services and Senior Centers	93.044	6/30/17
Title III, Part B - Ombudsman	93.044	6/30/17
Subtotal CFDA #93.044		
Title III, Part C- Area Agency Administration	93.045	6/30/17
Title III, Part C-1 - Nutrition Services (Congregate Meals)	93.045	6/30/17
Title III, Part C-2 - Nutrition Services (Home-Delivered Meals)	93.045	6/30/17
Subtotal CFDA #93.045		
Nutrition Services Incentives Program (NSIP)	93.053	6/30/17
Total Aging Cluster		
Title III, Part D - Disease Prevention and Health Promotion	93.043	6/30/17
Title III, Part E - Caregiver Support	93.052	6/30/17
Medicare Improvements for Patients and Providers Act (MIPPA)	93.518	6/30/17
Totals for U.S. Department of Health and Human Services - Administration on Aging		

Total federal grants

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards include the federal grant activity of the Cajun Area Agency on Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the fund financial statements. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Grants. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the financial statements.

Note B - No federal awards were expended in the form of non-cash assistance during the fiscal year.

<u>PROGRAM OR AWARD AMOUNT</u>	<u>FEDERAL REVENUE RECOGNIZED</u>	<u>FEDERAL EXPENDITURES</u>
\$ 459,539	\$ 459,539	\$ 459,539
90,318	90,318	90,318
<u>549,857</u>	<u>549,857</u>	<u>549,857</u>
202,821	202,821	202,821
443,022	443,022	443,022
<u>657,653</u>	<u>657,653</u>	<u>657,653</u>
<u>1,303,496</u>	<u>1,303,496</u>	<u>1,303,496</u>
426,003	426,003	404,380
<u>2,279,356</u>	<u>2,279,356</u>	<u>2,257,733</u>
39,401	39,401	39,401
191,074	191,074	191,074
<u>121,600</u>	<u>121,600</u>	<u>121,600</u>
<u>2,631,431</u>	<u>2,631,431</u>	<u>2,609,808</u>
<u>\$ 2,631,431</u>	<u>\$ 2,631,431</u>	<u>\$ 2,609,808</u>

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**Darnall, Sikes,
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(A Corporation of Certified Public Accountants)

**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
 Cajun Area Agency on Aging, Inc.
 Lafayette, Louisiana

Kevin S. Young, CPA
 Christy S. Dew, CPA, MPA
 Rachel W. Ashford, CPA
 Veronica L. LeBleu, CPA, MBA
 Christine Guidry Berwick, CPA, MBA
 Brandon L. Porter, CPA
 Brandon R. Dunphy, CPA
 Robert C. Darnall, CPA, M.S., CVA
 Tanya S. Nowlin, CPA, CGMA, Ph.D.
 Nicole B. Bruchez, CPA, MBA
 Jennifer Z. Marcial, CPA
 Kai Seah, CPA
 Katie Debailon, CPA
 Nicolaus D. Simon, CPA
 Emile M. Joseph III, CPA
 Jeremy T. Bourque, CPA
 Ben Baudoine, CPA
 Barrett B. Perry, CPA, MBA
 Andre J. Huval, CPA
 Alyssa M. Cart, CPA, M.S.
 Amy Draughon, CPA, MBA
 Elizabeth N. Debailon, CPA
 Cherie Boudreaux Navarre, CPA, M.S.
 Brittney C. Guerrero, CPA, MBA

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 the Cajun Area Agency on Aging, Inc. as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cajun Area Agency on Aging, Inc.'s basic financial statements, and have issued our report thereon dated August 15, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cajun Area Agency 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 grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

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

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana

August 15, 2017

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

The Board of Directors
 Cajun Area Agency on Aging, Inc.
 Lafayette, Louisiana

Report on Compliance for Each Major Federal Program

We have audited Cajun Area Agency on Aging, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cajun Area Agency on Aging, Inc.'s major federal programs for the year ended June 30, 2017. Cajun Area Agency on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Cajun Area Agency on Aging, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 15, 2017

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Cajun Area Agency on Aging, Inc.'s financial statements as of and for the year ended June 30, 2017.

Control and Significant Deficiencies and Material Weaknesses - Financial Reporting

There were no significant deficiencies in internal control over financial reporting disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

We noted no instances of material noncompliance during the audit of the financial statements.

FEDERAL AWARDS

Major Program Identification

The Cajun Area Agency on Aging, Inc., for the year ended June 30, 2017, had three major programs: Title III B, Title III C (including C-1 and C-2), and NSIP, which received funds from the U.S. Department of Health and Human Services.

Low-Risk Auditee

The Cajun Area Agency on Aging, Inc. is considered a low-risk auditee for the year ended June 30, 2017.

Major Program - Threshold

The dollar threshold to distinguish Type A and Type B programs is \$750,000 for the year ended June 30, 2017.

Auditor's Report - Major Program

An unmodified opinion has been issued on the Cajun Area Agency on Aging, Inc.'s compliance for its major programs as of and for the year ended June 30, 2017.

CAJUN AREA AGENCY ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2017

Control and Significant Deficiencies and Material Weaknesses - Major Program

There were no significant deficiencies noted during the audit of the major federal programs.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its major federal programs.

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

This section is not applicable for the fiscal year ended June 30, 2017.

Part III Findings and Questioned Costs Relating to the Federal Programs

The audit did not disclose any material noncompliance or questioned costs relative to its federal programs.

Part IV Management Letter

The auditor did not issue a management letter this year.

CAJUN AREA AGENCY ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

There were no prior year findings noted; therefore, no response is deemed necessary.

CAJUN AREA AGENCY ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2017

Response to Findings:

There were no current year findings noted; therefore, no response is deemed necessary.

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**Darnall, Sikes,
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(A Corporation of Certified Public Accountants)

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Directors
 Cajun Area Agency on Aging, Inc.
 Lafayette, Louisiana

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We have performed the procedures enumerated below, which were agreed to by the management of Cajun Area Agency on Aging, Inc. (a nonprofit organization), and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Cajun Area Agency on Aging, Inc.'s compliance with certain laws, regulations and best practices during the fiscal year ended June 30, 2017. Management of Cajun Area Agency on Aging, Inc. is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed 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.

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

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Written policies and procedures were obtained and do address the 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).

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

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

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

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

- f) **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.

- g) **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 do address the functions noted above.

- h) **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 do address the functions noted above.

- i) **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.

- j) **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.

- k) **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)

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

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document:

Obtained and reviewed minutes of the managing board/committee for the fiscal period noting that the full board met quarterly and the finance committee met monthly in accordance with the entity's policy.

- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis):

Minutes include monthly budget-to-actual comparisons for the General Fund and major funds identified as such.

- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan:

Deficit spending was not noted during the fiscal period.

- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.):

The minutes do reference non-budgetary financial information for at least one meeting during the fiscal period.

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.

- 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:

Evidence of management's review of the bank reconciliations for each month were noted.

- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period:

Bank reconciliations for the operating account listed 5 checks totaling \$134.28 that were outstanding for more than 6 months and did not have any documentation by management noting those items were researched.

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 documentation was obtained and it was noted that the functions addressed above were implemented in accordance with policy.

- 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 documentation was obtained and it was noted that the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers by a person who is not responsible for cash collections in the cash collection location selected.

- 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:

Collection documentation was obtained for the selected cash collections and it was noted that deposits were made within one day of collection.

- 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 selected were 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 documentation was obtained and it was noted that the functions addressed above were implemented in accordance with policy.

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 that 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.

- 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 provided do address the separation of signatory authority from initiating or recording of purchase.

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 maintained in a locked location, 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:

No credit cards, bank debit cards, or fuel cards are utilized by the entity.

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:

This item is not applicable, see response to #14 above.

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.):

This item is not applicable, see response to #14 above.

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

This item is not applicable, see response to #14 above.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 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):

This item is not applicable, see response to #14 above.

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

This item is not applicable, see response to #14 above.

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

This item is not applicable, see response to #14 above.

- 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:

This item is not applicable, see response to #14 above.

- 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:

This item is not applicable, see response to #14 above.

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of travel and expense reimbursements by person and management provided representation that the listing is complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates:

Written policies and procedures were obtained and no amounts listed in the policies regarding travel and expense reimbursements exceed GSA rates.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates:

Expenses selected were reimbursed in accordance with written policies.

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]:

Expenses selected were reimbursed in accordance with established per diem amount.

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

Documentation of business purpose noted for each expense reimbursement selected.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance):

Documentation required by written policy noted for each expense reimbursement selected.

- c) 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. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). 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:

No exceptions noted.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement:

Each expense reimbursement selected was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Contracts

- 20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete:

Obtained listing of all contracts in effect and management provided representation that the listing is complete.

- 21. Using the listing above, select the five contract "vendors" that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid:

A formal/written contract supporting the service arrangements and the amount paid was noted for the vendors selected.

- b) Compare each contract's detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:

- If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder):

Contracts selected complied with all legal requirements per the Louisiana Public Bid Law or Procurement Code.

- If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice:

Not applicable.

- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment:

Contract selected were not amended.

- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract:

The invoices and related payments selected complied with the terms and conditions of the contract.

- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter):

Obtained documentation of board approval for selected contracts as required by policy.

Payroll and Personnel

- 22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

Obtained listing of employees with their related salaries and management's representation that the listing is complete.

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure:

Each employee selected was paid in accordance with the terms and conditions of the employment contract or pay rate structure.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy:

Changes to pay rates during the fiscal period for selected employee were approved in writing.

- 23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.):

Documentation of daily attendance and leave was noted for each selected employee.

- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials:

Documentation of supervisor approval for attendance and leave was noted for each selected employee.

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave:

Documentation of written leave records were maintained for employees selected.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management:

Obtained listing of employees terminated during the fiscal period and management provided representation that the listing is complete. Termination payments of selected employees were made in strict accordance with policy and/or contract and approved by management.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines:

Obtained supporting documentation relating to payroll taxes and retirement contributions during the fiscal period noting that related payments and required reporting forms were submitted to the applicable agencies by the required deadlines.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed:

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

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy:

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

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained:

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

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants:

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

30. If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off:

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

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled:

Management has asserted that the entity did not have any misappropriations of public funds or assets during the reporting period.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds:

Required notices are posted on the entity's premises and website.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception:

No exceptions noted.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Cajun Area Agency on Aging, Inc., and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Dannall, Sikes, Gaudes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 29, 2017