

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.**

**BATON ROUGE, LOUISIANA**

**JUNE 30, 2019**



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**L.A. CHAMPAGNE & CO.**

CERTIFIED PUBLIC ACCOUNTANTS

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## L.A. CHAMPAGNE & CO.

CERTIFIED PUBLIC ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Capital Area Agency on Aging - District II, Inc.

#### Report on the Financial Statements

We have audited the accompanying financial statements of Capital Area Agency on Aging - District II, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information, description of programs on pages 16 through 18, the detailed schedule of program activities on page 19, the schedule of changes in fixed assets on page 20, and the schedule of compensation, benefits, and other payments to Agency heads on page 23 are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards on page 21 through 22, 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*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and compliance.

*F. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
November 19, 2019*

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
STATEMENTS OF FINANCIAL POSITION**  
*June 30, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 365,449	\$ 435,384
Receivables on funding contracts	77,410	58,381
Due from subcontractors	44,852	38,096
Other receivables	10,158	8,801
Prepaid expenses	12,704	14,477
	<u>510,573</u>	<u>555,139</u>
 <b>FIXED ASSETS (NET)</b>	 <u>3,164</u>	 <u>5,055</u>
	 <u><u>\$ 513,737</u></u>	 <u><u>\$ 560,194</u></u>
 <b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 218,923	\$ 222,725
Due to subcontractors	178,390	176,389
Accrued compensated absences	24,274	26,367
	<u>421,587</u>	<u>425,481</u>
 <b>NET ASSETS</b>		
Net assets without donor restrictions	(28,014)	(92,498)
Net assets with donor restrictions	120,164	227,211
	<u>92,150</u>	<u>134,713</u>
	<u><u>\$ 513,737</u></u>	<u><u>\$ 560,194</u></u>

*See accompanying notes to the financial statements*

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF ACTIVITIES**  
*Years ended June 30, 2019 and 2018*

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	<b>SUPPORT AND REVENUE</b>					
Governor's Office of Elderly Affairs	\$ -	\$ 3,858,873	\$ 3,858,873	\$ -	\$ 3,874,361	\$ 3,874,361
Department of Insurance	-	14,000	14,000	-	13,750	13,750
Capital Area United Way	-	156,080	156,080	-	205,446	205,446
Local Support - Title IIIC-1/IIIC-2 Meals	-	812,716	812,716	-	817,967	817,967
Participant contributions	-	-	-	-	65	65
Other support and revenues	89,057	-	89,057	64,698	-	64,698
Interest income	96	-	96	181	-	181
	<u>89,153</u>	<u>4,841,669</u>	<u>4,930,822</u>	<u>64,879</u>	<u>4,911,589</u>	<u>4,976,468</u>
Net assets released from restrictions	4,948,716	(4,948,716)	-	4,850,773	(4,850,773)	-
	<u>5,037,869</u>	<u>(107,047)</u>	<u>4,930,822</u>	<u>4,915,652</u>	<u>60,816</u>	<u>4,976,468</u>
<b>EXPENSES</b>						
Grants and allocations	1,291,043	-	1,291,043	1,307,795	-	1,307,795
Functional expenses:						
Program services						
Title III-C-1 Congregate Meals	593,130	-	593,130	578,651	-	578,651
Title III-C-2 Home Delivered Meals	1,643,409	-	1,643,409	1,603,774	-	1,603,774
Title III-D Preventive Health	47,020	-	47,020	25,268	-	25,268
Title III-E Caregiver Support	281	-	281	452	-	452
Community Living Program	250	-	250	250	-	250
Aging and Disability Resource Center/SenioRx	184,503	-	184,503	186,340	-	186,340
Evidence-Based Wellness	24,471	-	24,471	16,671	-	16,671
LTC Ombudsman	229,958	-	229,958	225,437	-	225,437
DHH Single Point of Entry	800	-	800	800	-	800
Senior Community Services Employment Program	605,038	-	605,038	649,705	-	649,705

*Continued*

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
	Medicare Enrollment Assistance Program (MIPPA)	3,650	-	3,650	2,910	-
CMS Research Demonstration & Evaluation (MIPPA)	2,800	-	2,800	2,540	-	2,540
MIPPA - SHIP	4,766	-	4,766	4,125	-	4,125
Total program services	3,340,076	-	3,340,076	3,296,923	-	3,296,923
Fundraising	21,293	-	21,293	4,257	-	4,257
Management and general	320,973	-	320,973	301,488	-	301,488
Total functional expenses	3,682,342	-	3,682,342	3,602,668	-	3,602,668
Total expenses	4,973,385	-	4,973,385	4,910,463	-	4,910,463
Change in net assets before interfund transfers	64,484	(107,047)	(42,563)	5,189	60,816	66,005
Other financing sources (uses)						
Operating transfers	-	-	-	-	-	-
Change in net assets	64,484	(107,047)	(42,563)	5,189	60,816	66,005
Net assets - beginning of year	(92,498)	227,211	134,713	(97,687)	166,395	68,708
Net assets - end of year	<u>\$ (28,014)</u>	<u>\$ 120,164</u>	<u>\$ 92,150</u>	<u>\$ (92,498)</u>	<u>\$ 227,211</u>	<u>\$ 134,713</u>

See accompanying notes to the financial statements

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
*Years ended June 30, 2019 and 2018*

**FY 2019**

	Title III-C-1 - Congregate Meals	Title III-C-2 - Home Delivered Meals	Title III-D - Preventive Health	Title III-E Caregiver Support	Community Living Program	CMS Research Demonstrati- ons & Evaluations MIPPA - AAA	Medicare Enrollment Assistance Program - MIPPA - ADRC	Medicare Enrollment Assistance Program - MIPPA - SHIP
Catered Meals	\$ 593,130	\$ 1,643,409	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	20,039	245	-	1,880	2,466	2,753
Payroll Taxes	-	-	1,735	19	-	61	202	320
Benefits	-	-	1,236	17	-	112	242	293
Travel	-	-	786	-	-	-	-	-
Advertising	-	-	918	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-
Equipment Maintenance	-	-	244	-	-	-	-	-
Postage and Shipping	-	-	-	-	-	-	-	-
Printing and Publications	-	-	941	-	-	-	75	66
Occupancy	-	-	3,952	-	-	747	665	1,334
Telephone	-	-	274	-	-	-	-	-
Software Licensing	-	-	368	-	-	-	-	-
Equipment rental	-	-	319	-	-	-	-	-
Insurance	-	-	302	-	-	-	-	-
Office Supplies	-	-	1,505	-	-	-	-	-
Conference and Training	-	-	2,364	-	-	-	-	-
Other Contractual Services	-	-	11,373	-	-	-	-	-
Accounting	-	-	664	-	-	-	-	-
Depreciation	-	-	-	-	250	-	-	-
Miscellaneous Expense	-	-	-	-	-	-	-	-
<b>Total Functional Expenses</b>	<b>\$ 593,130</b>	<b>\$ 1,643,409</b>	<b>\$ 47,020</b>	<b>\$ 281</b>	<b>\$ 250</b>	<b>\$ 2,800</b>	<b>\$ 3,650</b>	<b>\$ 4,766</b>

**FY 2018**

	Title III-C-1 - Congregate Meals	Title III-C-2 - Home Delivered Meals	Title III-D - Preventive Health	Title III-E Caregiver Support	Community Living Program	CMS Research Demonstrati- ons & Evaluations MIPPA - AAA	Medicare Enrollment Assistance Program - MIPPA - ADRC	Medicare Enrollment Assistance Program - MIPPA - SHIP
Catered Meals	\$ 578,651	\$ 1,603,774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Salaries	-	-	11,185	249	-	2,113	2,423	2,324
Payroll Taxes	-	-	941	20	-	177	191	184
Benefits	-	-	1,208	28	-	250	241	232
Travel	-	-	385	155	-	-	-	-
Advertising	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	-	-	-
Equipment Maintenance	-	-	92	-	-	-	-	-
Postage and Shipping	-	-	-	-	-	-	-	-
Printing and Publications	-	-	1,258	-	-	-	54	-
Occupancy	-	-	2,143	-	-	-	-	1,384
Telephone	-	-	454	-	-	-	-	-
Software Licensing	-	-	242	-	-	-	-	-
Equipment rental	-	-	315	-	-	-	-	-
Insurance	-	-	272	-	-	-	-	-
Office Supplies	-	-	794	-	-	-	1	1
Conference and Training	-	-	-	-	-	-	-	-
Other Contractual Services	-	-	5,529	-	-	-	-	-
Accounting	-	-	450	-	-	-	-	-
Depreciation	-	-	-	-	250	-	-	-
Miscellaneous Expense	-	-	-	-	-	-	-	-
<b>Total Functional Expenses</b>	<b>\$ 578,651</b>	<b>\$ 1,603,774</b>	<b>\$ 25,268</b>	<b>\$ 452</b>	<b>\$ 250</b>	<b>\$ 2,540</b>	<b>\$ 2,910</b>	<b>\$ 4,125</b>

See accompanying notes to the financial statements

Aging and Disability Resource Center /SeniorRx	DHH - Single Point of Entry	Evidence-Based Wellness	Long Term Care Ombudsman Program	Senior Community Services Employment Program (SCSEP)	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,236,539	\$ -	\$ -	\$ 2,236,539
127,215	-	13,617	149,458	516,445	834,118	-	183,767	1,017,885
10,792	-	1,201	12,357	39,956	66,643	-	15,051	81,694
10,750	-	659	29,355	15,553	58,217	-	19,941	78,158
2,022	-	1,244	24,026	5,678	33,756	-	7,446	41,202
392	-	168	-	78	1,556	-	414	1,970
-	-	-	-	-	-	-	1,234	1,234
1,049	-	244	123	1,100	2,760	-	1,456	4,216
2,942	-	-	91	2,300	5,333	-	1,929	7,262
1,225	-	804	499	1,762	5,372	-	815	6,187
9,141	-	3,324	2,070	6,360	27,593	-	26,464	54,057
3,385	-	274	3,814	1,590	9,337	-	4,747	14,084
4,067	-	-	268	939	5,642	-	3,931	9,573
1,135	-	622	239	995	3,310	-	1,238	4,548
2,190	-	295	1,951	1,449	6,187	-	1,996	8,183
2,624	-	958	960	1,814	7,861	-	3,030	10,891
525	-	32	-	1,060	3,981	-	1,479	5,460
3,228	-	866	1,991	1,583	19,041	-	16,183	35,224
1,378	-	163	2,756	3,123	8,084	-	7,717	15,801
443	800	-	-	-	1,493	-	398	1,891
-	-	-	-	3,253	3,253	21,293	21,737	46,283
<u>\$ 184,503</u>	<u>\$ 800</u>	<u>\$ 24,471</u>	<u>\$ 229,958</u>	<u>\$ 605,038</u>	<u>\$ 3,340,076</u>	<u>\$ 21,293</u>	<u>\$ 320,973</u>	<u>\$ 3,682,342</u>

Aging and Disability Resource Center /SeniorRx	DHH - Single Point of Entry	Evidence-Based Wellness	Long Term Care Ombudsman Program	Senior Community Services Employment Program (SCSEP)	Total Program Services	Fundraising	Management and General	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,182,425	\$ 1,347	\$ -	\$ 2,183,772
127,443	-	7,552	148,382	568,914	870,585	-	179,104	1,049,689
11,107	-	852	12,497	44,035	70,004	-	14,943	84,947
11,723	-	530	26,990	9,805	51,007	-	15,485	66,492
2,428	-	548	22,318	4,466	30,300	-	5,743	36,043
-	-	-	-	-	-	-	770	770
-	-	-	-	-	-	-	1,172	1,172
585	-	145	46	1,168	2,036	-	327	2,363
2,731	-	-	7	2,767	5,505	-	1,279	6,784
1,325	-	313	468	790	4,208	-	632	4,840
10,503	-	3,318	2,078	6,373	25,799	-	28,258	54,057
3,566	-	377	4,275	1,125	9,797	-	4,583	14,380
4,527	-	-	50	123	4,942	-	3,742	8,684
1,461	-	350	236	1,125	3,487	-	962	4,449
2,139	-	296	1,899	1,429	6,035	-	1,956	7,991
2,198	-	718	1,703	2,449	7,864	-	3,993	11,857
621	-	-	-	505	1,126	-	2,525	3,651
2,040	-	1,072	1,480	1,231	11,352	-	15,100	26,452
1,500	-	600	3,000	3,400	8,950	-	8,550	17,500
443	800	-	-	-	1,493	-	398	1,891
-	-	-	8	-	8	2,910	11,966	14,884
<u>\$ 186,340</u>	<u>\$ 800</u>	<u>\$ 16,671</u>	<u>\$ 225,437</u>	<u>\$ 649,705</u>	<u>\$ 3,296,923</u>	<u>\$ 4,257</u>	<u>\$ 301,488</u>	<u>\$ 3,602,668</u>

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**

**STATEMENTS OF CASH FLOWS**

*Years ended June 30, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (42,563)	\$ 66,005
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,890	1,890
Decrease (increase) in:		
Receivables on funding contracts	(19,029)	22,822
Receivables from subcontractors and others	(8,112)	29,952
Prepaid expenses	1,773	(6,832)
Increase (decrease) in:		
Accounts payable and accrued expenses	(3,802)	(9,947)
Payables to subcontractors	2,001	19,726
Deferred revenue	-	(5,000)
Accrued compensated absences	(2,093)	(9,710)
Net cash provided by (used in) operating activities	<u>(69,935)</u>	<u>108,906</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(69,935)	108,906
Cash - beginning of year	<u>435,384</u>	<u>326,478</u>
Cash - end of year	<u><u>\$ 365,449</u></u>	<u><u>\$ 435,384</u></u>

*See accompanying notes to the financial statements*

**CAPITAL AREA AGENCY ON AGING -DISTRICT II, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

*June 30, 2019*

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of activities and reporting entity*

Capital Area Agency on Aging-District II, Inc. (the Agency) is a non-profit entity incorporated in 1974 to ensure the availability of supportive, nutrition, and volunteer services to people aged 60 and older in the ten parishes surrounding the Baton Rouge capital area. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

*Basis of accounting*

The Agency prepares its financial statements on the accrual basis of accounting. Under this method of accounting, revenue is recognized when earned or billed, and expenses are recognized when goods or services are received and the obligation for payment is incurred.

*Basis of presentation*

Financial statement presentation follows the guidance of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC). Under those standards, the Organization is required to report information regarding its financial position and activities under two classes of net assets: net assets without donor restrictions or net assets with donor restrictions. Net assets without donor restrictions are resources that are free of donor-imposed or time restrictions and are available at the direction of the governing board. Net assets with donor restrictions are those resources whose use by the Agency is limited to donor-imposed stipulations. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature: such as those that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Agency.

*Use of estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Revenue and expense recognition*

Contributions, grants, and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Agency reports grants and gifts of cash and other assets as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When donor restrictions expire, that is, when the stipulated time restriction ends or the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

*Fixed assets and depreciation*

Acquisitions of property and equipment amounting to \$1,000 or more are capitalized. Fixed assets are carried at cost less accumulated depreciation. The assets are depreciated for financial reporting purposes using the straight-line method over estimated useful lives of five to ten years. When property is retired or otherwise disposed of, the accounts are relieved of the applicable cost and accumulated depreciation, and any resulting gain or loss is reflected in operations.

*Donated services*

No amounts have been reflected in the financial statements for donated services. The Agency pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Agency with its various program activities.

*Cash*

For the purpose of the statement of cash flows, the Agency considers all unrestricted cash and short-term savings to be cash.

Under the requirements of its grant funding from the State of Louisiana, the Agency must collateralize cash balances held in financial institutions that are in excess of federal deposit insurance. Such deposits are collateralized under a security pledge arrangement with the financial institution which meets the requirements of state law.

*Prepaid expenses*

The cost of insurance and other services for which benefits extend over more than one accounting period have been recorded as prepaid and are expensed in the period to which they apply.

*Functional expenses*

The cost of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between program services and supporting services benefited. Salaries and wages, related payroll taxes, and benefit allocations are determined by management on an equitable basis based on time and effort.

**A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Budget policy*

Budgets for the various programs are prepared by the Agency's Executive Director and approved by the Agency's Board of Directors and program grantors. Appropriations from the Governor's Office of Elderly Affairs under Federal Title III lapse at year end. Title IV and other federal appropriations lapse at the federal fiscal year end. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency may transfer funds between budgetary line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs with respect to funds received under contracts from that agency.

*Receivables and bad debts*

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

*Annual and sick leave*

Employees of the Agency are entitled to paid vacation, depending on the length of service. The Agency has recorded a liability for the unused vacation attributable to all eligible employees at the employee's current rate of pay. Because accrued sick leave lapses upon termination, no amount has been accrued.

*Advertising costs*

The Agency expenses advertising costs as incurred.

*Income tax status*

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been included in the financial statements.

The Agency accounts for income taxes in accordance with the income tax accounting guidance included in the FASB ASC. Under this guidance, the Agency may recognize the tax effect from an uncertain income tax positions only if it is more likely than not that the tax position will be sustained on examination by tax authorities. The Agency has evaluated its tax positions regarding the accounting for uncertain income tax positions and does not believe that it has any material uncertain tax positions.

The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress.

*New Account Pronouncement*

The Agency adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The ASU addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Agency has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented which had no impact to total net assets.

**B: RECEIVABLES ON FUNDING CONTRACTS**

Receivables on funding contracts at June 30, 2019 and 2018, consist of the following:

	<u>2019</u>	<u>2018</u>
Governor's Office of Elderly Affairs:		
SCSEP Program	\$ 71,026	\$ 57,321
Title III-E Caregiver	-	-
Title III-D Health Facilitation	3,966	(2,425)
Medicare Enrollment Assistance Program	800	1,325
Department of Insurance:		
DOI - SHIIP Outreach	1,618	2,160
	<u>\$ 77,410</u>	<u>\$ 58,381</u>

**C: FIXED ASSETS**

The following is a summary of fixed assets at cost, less accumulated depreciation:

	<u>2019</u>	<u>2018</u>
Computer and related equipment	\$ 11,701	\$ 11,701
Office equipment	19,968	19,968
Furniture and fixtures	3,421	3,421
	<u>35,090</u>	<u>35,090</u>
Less accumulated depreciation	(31,926)	(30,035)
	<u>\$ 3,164</u>	<u>\$ 5,055</u>

Depreciation expense was \$1,890 for the years ended 2019 and 2018.

**D: BOARD OF DIRECTORS' COMPENSATION**

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of a per diem. Members of the Board are reimbursed for travel expenses. These reimbursements amounted to \$489 and \$762 in 2019 and 2018, respectively.

**E: PENSION AND DEFERRED COMPENSATION PLANS**

The Agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$26,096 and \$23,559 including administrative charges, is reported in fringe benefits for 2019 and 2018, respectively.

**E: PENSION AND DEFERRED COMPENSATION PLANS (Continued)**

The Agency also maintains a voluntary salary reduction tax deferred compensation plan for employees electing to participate. The Agency does not make any contributions to this plan.

**F: LEASE COMMITMENTS**

The Agency currently leases its office space under an operating lease that is on a month to month basis with monthly rent of \$4,505.

Lease expense was \$54,058 for the years ended 2019 and 2018.

**G: INTER-PROGRAM TRANSFERS**

Transfers in and out are listed by program type for the year ended June 30, 2019 and 2018:

Transfers In For:	Year ended June 30, 2019					
	Transfers Out From:					Total
	United Way	N.S.I.P.	LTC	Other	Local	Transfers In
Area Agency Administration	\$ 82,255	\$ -	\$15,773	\$ -	\$ 1,207	\$ 99,235
Title III C-1	-	151,417	-	-	-	151,417
Title III C-2	81,836	365,376	-	-	-	447,212
Title III B	848	-	-	-	-	848
ADRC/SenioRx	-	-	-	2,401	-	2,401
Local	-	-	-	21,525	-	21,525
Other	-	-	-	-	-	-
Total Transfers Out	<u>\$ 164,939</u>	<u>\$516,793</u>	<u>\$ 15,773</u>	<u>\$ 23,926</u>	<u>\$ 1,207</u>	<u>\$ 722,638</u>

Transfers In For:	Year ended June 30, 2018					
	Transfers Out From:					Total
	United Way	N.S.I.P.	LTC	Other	Local	Transfers In
Area Agency Administration	\$ 71,154	\$ -	\$15,773	\$ -	\$ 4,050	\$ 90,977
Title III C-1	-	140,449	-	-	-	140,449
Title III C-2	93,350	337,184	-	-	-	430,534
Title III B	6,248	-	-	-	-	6,248
ADRC/SenioRx	-	-	-	7,581	-	7,581
Local	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Transfers Out	<u>\$ 170,752</u>	<u>\$477,633</u>	<u>\$ 15,773</u>	<u>\$ 7,581</u>	<u>\$ 4,050</u>	<u>\$ 675,789</u>

**H: ECONOMIC DEPENDENCY**

The Agency receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and Louisiana state governments. If significant budget cuts are made at the federal and/or state level, the Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year.

The Agency receives support from a number of sources. Significant among those are the following, reflecting their percent of total revenues provided in 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Governor's Office of Elderly Affairs	78%	78%
Local Support - Title IIIC-1/IIIC-2 Meals	16%	16%

**I: FEDERALLY ASSISTED AND OTHER GOVERNMENT PROGRAMS**

Federal and state assistance programs represent an important source of funding for the Agency. The federal programs are audited annually in accordance with the Uniform Guidance. Other programmatic audits may be conducted by grantor agencies. Prior audits have not resulted in any significant disallowed costs. However, grantor agencies may conduct or require additional examinations which could result in the cancellation of grants or contracts, the disallowance of costs charged to the grant or require the repayment of any questioned costs identified, and such repayments may be material to the financial statements.

**J: SUBCONTRACTOR AUDITS**

All Council on Aging subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with government auditing standards and, additionally, in accordance with the Single Audit Act if federal expenditures exceed specified thresholds.

**K: NET ASSETS**

Net assets with donor restrictions consist of funds designated by donors or grantors for specific purposes or programs and total \$120,164 and \$227,211 at June 30, 2019 and 2018, respectively.

**K: NET ASSETS (Continued)**

Net assets were released from donor restrictions by incurring expenses satisfying the purpose restrictions specified by donors as follows:

	<u>2019</u>	<u>2018</u>
Purpose restriction accomplished:		
Area Agency Administration	\$ 198,699	\$ 195,484
Title IIIB Supportive Services	602,705	596,167
Title IIIC Congregate and Home Delivered Meals	2,115,818	2,089,351
Title IIID Preventive Health	47,020	25,268
Title IIIE Caregiver Support	198,397	195,840
Long Term Care program	245,731	241,210
SCSEP Program	605,288	649,705
SenioRx / ADRC program	182,101	178,758
Senior Health Insurance program	22,615	7,581
Nutritional Services Incentive program	516,793	477,633
Medicare Enrollment Assistance	13,450	9,575
Capital Area United Way	171,658	177,471
Other programs	28,441	6,730
Total restrictions released	<u>\$ 4,948,716</u>	<u>\$ 4,850,773</u>

**L: CONCENTRATIONS OF CREDIT RISK**

The Agency maintains deposits in a local financial institution with balances at times that may exceed the \$250,000 federal insurance provided by the Federal Deposit Insurance Corporation. At June 30, 2019, uncollateralized deposits in excess of federal insurance coverage was \$126,891. At June 30, 2018, collateral in the amount of \$203,152 was provided to cover deposits in excess of federal insurance coverage, as required.

**M: NON-CASH INVESTING AND FINANCING ACTIVITIES**

There were no non-cash investing and financing activities in fiscal 2019 and 2018.

**N: CONTINGENCIES**

The Agency receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

**O: LIQUIDITY**

The following represents the Agency's financial assets as of June 30, 2019:

Financial assets at year end:

Cash	\$	365,449
Receivables		132,420
Total restrictions released		<u>497,869</u>
Less amounts unavailable to be used for general expenditures within one year, due to donor restrictions		<u>120,164</u>
Total financial assets available to management for general expenditures within one year	\$	<u>377,705</u>

The Agency maintains a practice of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**P: SUBSEQUENT EVENTS**

Subsequent events were evaluated through November 19, 2019, which is the date the financial statements were available to be issued.

**SUPPLEMENTAL INFORMATION**

**CAPITAL AREA AGENCY ON AGING – DISTRICT II, INC.  
DESCRIPTION OF PROGRAMS**

*Title III C-1 Area Agency Administration (AAA)*

The Title III C-1 Area Agency Administration (AAA) Program accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

*Title III-B Program*

The Title III-B Program is used to account for the support services, which include access services, in-home services, community services, and transportation for the elderly. Title III-B funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers.

*Title III C-1 Program*

The Title III C-1 Program accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

*Title III C-2 Program*

Title III C-2 funds are used to provide nutritional meals to home-bound older persons. These funds are provided in the same manner as Title III-B above.

*Title III-D Program*

The Title III-D Program accounts for funds used to provide disease prevention and health promotion services. This includes wellness activities and medication management services. These funds are provided in the same manner as Title III-B above. A portion of the medication management services is provided directly by the Agency through medication management seminars.

*Title III-E Program*

The Title III-E Program accounts for funds which are used to provide various caregiver support services. These include public education, information and assistance; support groups, in-home respite care; material aid; personal care services and sitter services. These funds are provided in the same manner as Title III-B above.

*United Way Program*

The United Way Program is used to account for funds received from the Capital Area and other United Way organizations to supplement administrative costs, the home delivered meals program and a Personal Care Program.

*Regional Office of LA Aging and Disability Resource Center (ADRC) and SenioRx*

The Agency is designated by the Governor's Office of Elderly Affairs as the Aging and Disability Resource Center (ADRC) for a 13-parish area. The ADRC offers a "one-stop-shop" for public and private programs at the community level that will help individuals who are 60 years and older and individuals with adult onset disabilities. This program helps consumers find the answers and information needed to improve their health, independence and quality of life. The Louisiana Senior Prescription Drug Program, operating through the ADRC, links qualified low-income and disabled adults to free or discounted drugs directly from the pharmaceutical manufacturer.

*N.S.I.P. Program*

The Nutritional Services Incentive Program (N.S.I.P.) administered by the U.S. Department of Health and Human Service is used to account for the administration of Food Distribution Program funds, through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congregate and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

*Utility Assistance Program*

The Utility Assistance Program is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency which "passes through" the funds to the various councils to provide assistance to the elderly with emergencies in the payment of energy costs.

*Medicare Enrollment Assistance Program*

The Medicare Enrollment Assistance Program is used to provide outreach to eligible Medicare beneficiaries regarding the benefits available under federal and state programs for older Americans. This program is also used to conduct research, demonstrations, and evaluations for high-quality health care at a reasonable cost. The program will focus on expanding agency efforts to improve the efficiency of payment, delivery, access and quality of our health care programs.

*Evidence-Based Wellness*

The Evidence-Based Wellness Program deploys evidence-based chronic disease self-management programs targeted at older adults with chronic conditions to maintain and improve their health status.

*Title III B, Long Term Care Ombudsman Services*

The Title III B, Long Term Care Ombudsman provides funding to design and implement programs for the provision of long-term care ombudsman services for individuals living in long-term care facilities.

*Senior Community Services Employment Program*

The Senior Community Service Employment Program is a community service and work-based job training program for older Americans. Authorized by the Older Americans Act, the program provides training for low-income, unemployed seniors. Participants also have access to employment assistance through American Job Centers.

*Other Programs*

Other grants and contributions may be used to support various programs as the need arises.

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**DETAILED SCHEDULE OF PROGRAM ACTIVITIES**  
*For the year ended June 30, 2019*

WITHOUT DONOR RESTRICTIONS								
	LOCAL	Evidence-Based Wellness	TITLE III C-1 AAA	TITLE III-B	TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-E
<b>SUPPORT AND REVENUE</b>								
<b>Governmental:</b>								
Federal and State grants passed through								
Governor's Office of Elderly Affairs	\$ -	\$ -	\$ 202,207	\$ 602,705	\$ 562,321	\$ 745,528	\$ 46,930	\$ 198,397
Department of Insurance	-	-	-	-	-	-	-	-
State of Louisiana								
Governor's Office of Elderly Affairs	-	-	-	-	-	-	-	-
<b>Other:</b>								
Capital Area United Way	-	-	-	-	-	-	-	-
Annual fund raisers	39,313	-	-	-	-	-	-	-
Local support - meal programs	-	-	-	-	105,867	702,102	-	-
Other	12,740	36,100	-	-	-	-	-	4,747
	<u>52,053</u>	<u>36,100</u>	<u>202,207</u>	<u>602,705</u>	<u>668,188</u>	<u>1,447,630</u>	<u>46,930</u>	<u>203,144</u>
<b>EXPENSES</b>								
<b>Administration:</b>								
Salaries	-	13,518	187,275	-	-	-	19,948	245
Payroll tax and fringe benefits	-	1,858	34,991	-	-	-	2,972	36
Travel	52	1,244	7,395	-	-	-	786	-
Operating services	34	5,732	44,188	-	-	-	7,318	-
Operating supplies	541	958	2,490	-	-	-	1,505	-
Professional services	276	557	10,293	-	-	-	1,044	-
Other costs	33,035	505	14,810	-	-	-	13,357	-
Capital Outlay	-	-	-	-	-	-	-	-
	<u>33,938</u>	<u>24,372</u>	<u>301,442</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,930</u>	<u>281</u>
<b>CATERED MEALS - MEALS PROGRAM</b>								
Raw food	-	-	-	-	285,989	615,382	-	-
Labor and non-edibles	-	-	-	-	307,141	1,028,027	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593,130</u>	<u>1,643,409</u>	<u>-</u>	<u>-</u>
<b>Contracted social services:</b>								
Alzheimer's Services of Capital Area	-	-	-	-	-	-	-	18,211
Ascension Council on Aging, Inc.	-	-	-	63,447	20,515	27,065	-	2,325
Assumption Council on Aging, Inc.	-	-	-	48,312	24,508	12,674	-	3,075
E. Feliciana Council on Aging, Inc.	-	-	-	51,929	17,842	34,205	-	-
Home Instead Senior Care	-	-	-	-	-	-	-	58,496
Iberville Council on Aging, Inc.	-	-	-	56,998	30,041	20,768	-	750
Pointe Coupee Council on Aging, Inc.	-	-	-	58,206	33,979	9,958	-	2,625
St. Helena Council on Aging, Inc.	-	-	-	28,629	8,866	24,378	-	450
Southeast La. Legal Services Corp.	-	-	-	25,742	-	-	-	-
Tangipahoa Council on Aging, Inc.	-	-	-	122,987	54,538	57,419	-	150
Myers Corporation Care, LLC (Comfort Keepers)	-	-	-	6,458	-	-	-	82,762
Washington Council on Aging, Inc.	-	-	-	82,840	16,049	45,090	-	33,494
W. B. R. Council on Aging, Inc.	-	-	-	34,080	10,952	7,576	-	525
W. Feliciana Council on Aging, Inc.	-	-	-	23,925	9,185	12,300	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>603,553</u>	<u>226,475</u>	<u>251,433</u>	<u>-</u>	<u>202,863</u>
<b>Total expenses</b>	<u>33,938</u>	<u>24,372</u>	<u>301,442</u>	<u>603,553</u>	<u>819,605</u>	<u>1,894,842</u>	<u>46,930</u>	<u>203,144</u>
Change in net assets before interfund transfers	18,115	11,728	(99,235)	(848)	(151,417)	(447,212)	-	-
<b>OTHER FINANCING SOURCES (USES):</b>								
Operating transfers in	21,525	-	99,235	848	151,417	447,212	-	-
Operating transfers out	(1,207)	-	-	-	-	-	-	-
	<u>20,318</u>	<u>-</u>	<u>99,235</u>	<u>848</u>	<u>151,417</u>	<u>447,212</u>	<u>-</u>	<u>-</u>
Change in net assets	38,433	11,728	-	-	-	-	-	-
<b>NET ASSETS</b>								
Beginning of year	(107,390)	1,570	-	-	-	-	-	-
End of year	<u>\$ (68,957)</u>	<u>\$ 13,298</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*Note: Per instructions from OEA this schedule is prepared without consideration of compensated absences and reports capital outlay in lieu of depreciation expense*

WITH DONOR RESTRICTIONS

Aging and Disability Resource Center/SeniorRx	LTC Ombudsman	MIPPA Priority 2 AAA	MIPPA Priority 3 ADRC	MIPPA Priority 3 SHIP	Senior Community Services Empl Prog	NSIP	DOI - SHIP OUTREACH	UNITED WAY	UTILITY Assistance	OTHER	TOTAL
\$ -	\$ 245,180	\$ 2,800	\$ 3,650	\$ 7,000	\$ 604,647	\$ 456,122	\$ -	\$ -	\$ -	\$ -	\$ 3,677,487
-	-	-	-	-	-	-	14,000	-	-	-	14,000
181,386	-	-	-	-	-	-	-	-	-	-	181,386
-	-	-	-	-	-	-	-	156,080	-	-	156,080
-	-	-	-	-	-	-	-	-	-	-	39,313
-	-	-	-	-	-	-	-	-	-	-	807,969
-	-	-	-	-	-	-	-	-	-	1,000	54,587
<u>181,386</u>	<u>245,180</u>	<u>2,800</u>	<u>3,650</u>	<u>7,000</u>	<u>604,647</u>	<u>456,122</u>	<u>14,000</u>	<u>156,080</u>	<u>-</u>	<u>1,000</u>	<u>4,930,822</u>
126,942	148,907	1,880	2,456	2,753	516,054	-	-	-	-	-	1,019,978
21,543	41,711	173	445	613	55,511	-	-	-	-	-	159,853
2,022	24,026	-	-	-	5,678	-	-	-	-	-	41,203
25,526	9,056	747	740	1,400	16,572	-	-	-	-	-	111,313
2,624	960	-	-	-	1,814	-	-	-	-	-	10,892
4,523	4,747	-	-	-	4,623	-	-	-	-	-	26,063
607	-	-	-	-	4,395	-	-	-	-	9,996	76,705
-	-	-	-	-	-	-	-	-	-	-	-
<u>183,787</u>	<u>229,407</u>	<u>2,800</u>	<u>3,641</u>	<u>4,766</u>	<u>604,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,996</u>	<u>1,446,007</u>
-	-	-	-	-	-	-	-	-	-	-	901,371
-	-	-	-	-	-	-	-	-	-	-	1,335,168
-	-	-	-	-	-	-	-	-	-	-	2,236,539
-	-	-	-	-	-	-	-	-	-	-	18,211
-	-	-	-	-	-	-	-	-	-	-	113,352
-	-	-	-	-	-	-	-	-	-	-	88,569
-	-	-	-	-	-	-	-	-	-	-	103,976
-	-	-	-	-	-	-	-	-	-	-	58,496
-	-	-	-	-	-	-	-	-	-	-	108,557
-	-	-	-	-	-	-	-	6,719	-	-	111,487
-	-	-	-	-	-	-	-	-	-	-	62,323
-	-	-	-	-	-	-	-	-	-	-	25,742
-	-	-	-	-	-	-	-	-	-	-	235,094
-	-	-	-	-	-	-	-	-	-	-	89,220
-	-	-	-	-	-	-	-	-	-	-	177,473
-	-	-	-	-	-	-	-	-	-	-	53,133
-	-	-	-	-	-	-	-	-	-	-	45,410
-	-	-	-	-	-	-	-	6,719	-	-	1,291,043
<u>183,787</u>	<u>229,407</u>	<u>2,800</u>	<u>3,641</u>	<u>4,766</u>	<u>604,647</u>	<u>-</u>	<u>-</u>	<u>6,719</u>	<u>-</u>	<u>9,996</u>	<u>4,973,589</u>
(2,401)	15,773	-	9	2,234	-	456,122	14,000	149,361	-	(8,996)	(42,767)
2,401	-	-	-	-	-	-	-	-	-	-	722,638
-	(15,773)	-	(9)	(2,234)	-	(516,793)	(21,669)	(164,939)	(14)	-	(722,638)
<u>2,401</u>	<u>(15,773)</u>	<u>-</u>	<u>(9)</u>	<u>(2,234)</u>	<u>-</u>	<u>(516,793)</u>	<u>(21,669)</u>	<u>(164,939)</u>	<u>(14)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	(60,671)	(7,669)	(15,578)	(14)	(8,996)	(42,767)
-	-	-	-	-	-	163,867	7,669	53,149	14	37,149	156,028
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,196</u>	<u>\$ -</u>	<u>\$ 37,571</u>	<u>\$ -</u>	<u>\$ 28,153</u>	<u>\$ 113,261</u>

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
SCHEDULE OF CHANGES IN FIXED ASSETS  
June 30, 2019**

	Balance June 30, 2018	Reclassifications	Additions	Deletions	Balance June 30, 2019
<b>FIXED ASSETS</b>					
Computer and related equipment	\$ 11,701	\$ -	\$ -	\$ -	\$ 11,701
Office equipment	19,968	-	-	-	19,968
Furniture and fixtures	3,421	-	-	-	3,421
<b>TOTAL FIXED ASSETS</b>	<b>\$ 35,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,090</b>
<b>INVESTMENT IN FIXED ASSETS</b>					
Title III C-1 Area Agency Administration	\$ 3,421	\$ -	\$ -	\$ -	\$ 3,421
Louisiana ADRC/SenioRx	5,006	-	-	-	5,006
DHH Single Point of Entry (SPOE)	8,001	-	-	-	8,001
Community Living Program	2,500	-	-	-	2,500
Medicare Enrollment Assistance Program	2,581	-	-	-	2,581
Title III - LTC Ombudsman	2,465	-	-	-	2,465
Local	11,116	-	-	-	11,116
<b>TOTAL INVESTMENT IN FIXED ASSETS</b>	<b>\$ 35,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 35,090</b>

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Year ended June 30, 2019*

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>	<u>TOTAL AMOUNT PROVIDED TO SUBRECIPIENTS</u>
<u>U.S. Department of Health and Human Services</u>				
Passed Through the Louisiana Governor's Office Of Elderly Affairs:				
Special Programs for the Aging:				
Title III, Part B Supportive Services	93.044	720220	\$ 400,542	\$ 400,542
Title III, Part C-Area Agency Administration	93.045	720220	151,655	-
Title III, Part C-1 Nutritional Services Congregate Meals	93.045	720220	437,019	437,019
Title III, Part C-2 Nutritional Services Home Delivered Meals	93.045	720220	<u>288,105</u>	288,105
Total Title III, Part C	93.045		<u>876,779</u>	
Nutritional Services Incentive Program	93.053	720102	516,793	516,793
Total Cluster			<u>1,794,114</u>	
Title III, Part B Ombudsman Long-Term Care Services	93.042	721581	191,397	-
Title III, Part D Disease Prevention and Health Promotion Services	93.043	720220	46,930	-
Title III, Part E Caregiver Support	93.052	720220	148,798	148,798
Medicare Enrollment Assistance Program (MIPPA)	93.071	726094	13,450	-
Department of Labor				
Title V Senior Community Services Employment Program	17.235	720220	544,182	-
Passed Through the Louisiana Department of Insurance:				
Center for Medicare and Medicaid Services	93.779	725542	14,000	-
			<u>\$ 2,752,871</u>	

**CAPITAL AREA AGENCY ON AGING – DISTRICT II, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*June 30, 2019*

**NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Agency under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Agency.

**NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C—INDIRECT COST RATE**

The Agency has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**CAPITAL AREA AGENCY ON AGING -  
DISTRICT II, INC.  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER  
PAYMENTS TO AGENCY HEADS  
*June 30, 2019***

Agency Head Name:

Shirley Merrick  
Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 75,000
Benefits - insurance	1,226
Benefits - retirement	3,750
Travel	1,441

Robert L. Stamey, CPA  
Kimberly G. Sanders, CPA, MBA  
Neal Fortenberry, CPA  
Wayne Dussel, CPA, CFE

Alvin J. Callais, CPA  
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Institute of CPAs

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Area for Over 100 Years

**L.A. CHAMPAGNE CO.**  
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  
Capital Area Agency on Aging - District II, Inc.

We have audited, 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, the financial statements of Capital Area Agency on Aging – District II, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 19, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Agency on Aging - District II, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of Capital Area Agency on Aging - District II, Inc.'s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Capital Area Agency on Aging - District II, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana R. S. 24:513, this report is distributed by the Legislative Auditor as a public document.

*L.A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
November 19, 2019*

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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  
Capital Area Agency on Aging - District II, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Capital Area Agency on Aging - District II, 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 Capital Area Agency on Aging - District II, Inc.'s major federal programs for the year ended June 30, 2019. Capital Area Agency on Aging - District II, 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 Capital Area Agency on Aging - District II, 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 Capital Area Agency on Aging - District II, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of Capital Area Agency on Aging - District II, 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 Capital Area Agency on Aging - District II, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a 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 the Capital Area Agency on Aging - District II, 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 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.

*J. A. Champagne & Co., LLP*

*Baton Rouge, Louisiana  
November 19, 2019*

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.**  
**SUMMARY OF AUDIT RESULTS AND**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
*Year Ended June 30, 2019*

**A: SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Capital Area Agency on Aging - District II, Inc.
2. No significant deficiencies or material weaknesses in internal controls relating to the audit of the financial statements are reported in the "Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*."
3. No instances of noncompliance material to the financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal controls over compliance with requirements applicable to major federal award programs are reported in the "Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unmodified opinion.
6. There were no reportable audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc.
7. The programs tested as a major program are as follows:
  - U. S. Department of Health and Human Services Special Programs for the Aging Cluster
  - U.S. Department of Health and Human Services Title V Senior Community Services Employment Program
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Capital Area Agency on Aging - District II, Inc. was determined to be a low-risk auditee.

**B: FINDINGS - FINANCIAL STATEMENTS AUDIT**

There are no findings that are required to be reported in this section of the report.

**C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT**

There are no findings that are required to be reported in this section of the report.