

ACADIA COUNCIL ON AGING, INC.
Crowley, Louisiana

Financial Report

Year Ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acadia Council on Aging, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Acadia Council on Aging, Inc., as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 33-37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the Acadia Council on Aging, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Acadia Council on Aging, Inc.'s internal control over financial reporting and compliance.

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
December 15, 2021

GOVERNMENT WIDE FINANCIAL STATEMENTS

ACADIA COUNCIL ON AGING, INC.

Government Wide Statement of Net position
June 30, 2021

	Governmental Activities
Assets	
Cash	\$ 500,054
Grants and contracts receivable	30,980
Prepaid expenses	15,996
Capital assets, net of accumulated depreciation	<u>259,143</u>
Total Assets	<u>806,173</u>
Liabilities	
Accrued payroll and related benefits	17,806
Accounts Payable	5,655
Accrued compensated absences	5,281
Capital lease:	
Current portion	3,019
Non-current portion	<u>1,259</u>
Total Liabilities	<u>33,020</u>
Net Position	
Invested in Capital Assets, net of debt	254,865
Restricted for:	
Prepaid expenses	15,996
Utility assistance	6,614
Unrestricted	<u>495,678</u>
Total Net Position	<u>\$ 773,153</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Government Wide Statement of Activities
Year Ended June 30, 2021

Function/Programs	<u>Direct Expenses</u>	<u>Indirect Expenses</u>
Governmental Activities		
Health, Welfare & Social Services:		
Supportive Services:		
Other services	\$ 8,731	\$ 3,514
Homemaker	22,595	9,095
Information and assistance	23,031	9,270
Outreach	10,322	4,155
Transportation	100,145	40,310
Nutrition Services:		
Congregate Meals	76,528	30,804
Home delivered meals	136,938	55,120
Utility Assistance	-	-
National family caregiver support	55,432	22,313
Multipurpose senior centers	-	-
Administration	<u>233,725</u>	<u>(174,581)</u>
Total governmental activities	<u>\$ 667,447</u>	<u>\$ -</u>

Charges for Services	Program Revenues		Net (Expense) Revenue and Increases (Decreases) in Net Assets
	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmen Activities
\$ -	\$ 5,133	\$ -	\$ (7,112)
137	13,284	-	(18,269)
-	13,541	-	(18,760)
-	6,069	-	(8,408)
10,432	58,879	-	(71,144)
1,298	36,976	-	(69,058)
14,190	39,433	-	(138,435)
-	2,610	-	2,610
-	17,296	-	(60,449)
-	77,244	-	77,244
-	59,144	-	-
<u>\$ 26,057</u>	<u>\$ 329,609</u>	<u>\$ -</u>	<u>(311,781)</u>

General Revenues:

Grants and contributions not restricted to specific programs	538,639
Unrestricted investment income	71
Miscellaneous	<u>160</u>
Total general revenues and special items	<u>538,870</u>
Change in net position	227,089
Net position - beginning of the year	<u>546,064</u>
Net position - end of the year	<u>\$ 773,153</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

ACADIA COUNCIL ON AGING, INC.

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Title III B	Title III C-1	Title III C-2	Title III E	Non-Major Funds	Total
Assets							
Cash	\$ 493,440	\$ -	\$ -	\$ -	\$ -	\$ 6,614	\$ 500,054
Grants and contracts receivable	30,980	-	-	-	-	-	30,980
Prepaid expenditures	<u>15,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,996</u>
Total Assets	<u>\$ 540,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ 547,030</u>
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 5,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,655
Accrued payroll and related benefits payable	<u>17,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,806</u>
Total Liabilities	<u>23,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,461</u>
Fund Balances:							
Nonspendable							
Prepaid expenditures	15,996	-	-	-	-	-	15,996
Restricted for:							
Utility assistance	-	-	-	-	-	6,614	6,614
Unassigned	<u>500,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,959</u>
Total Fund Balances	<u>516,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,614</u>	<u>523,569</u>
Total Liabilities and Fund Balances	<u>\$ 540,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,614</u>	

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

- Compensated absences accrued are not paid for out of current financial resources and therefore are not reported in the funds	(5,281)
- Capital leases are not due and payable in the current period, and therefore, they are not reported in the funds	(4,278)
- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	<u>259,143</u>
Net position of governmental activities	<u>\$ 773,153</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2021

	General Fund	Title III B	Title III C-1	Title III C-2	Title III E	Non-Major Funds	Total Governmental Funds
REVENUES							
Intergovernmental:							
Governor's Office of Elderly Affairs	\$ 177,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,243
Cajun Area Agency on Aging, Inc.	-	96,906	36,976	39,433	17,296	-	190,611
Acadia Parish Police Jury	487,563	-	-	-	-	-	487,563
Program Service Fees:							
Transportation	-	10,432	-	-	-	-	10,432
Homemaker	-	137	-	-	-	-	137
Home delivered meals	-	-	-	14,190	-	-	14,190
Congregate meals	-	-	1,298	-	-	-	1,298
Utility assistance	-	-	-	-	-	2,610	2,610
Investment income	71	-	-	-	-	-	71
Local and miscellaneous:							
United Way	5,021	-	-	-	-	-	5,021
Donations	5,200	-	-	-	-	-	5,200
Miscellaneous	160	-	-	-	-	-	160
Total Revenues	<u>675,258</u>	<u>107,475</u>	<u>38,274</u>	<u>53,623</u>	<u>17,296</u>	<u>2,610</u>	<u>894,536</u>
EXPENDITURES							
Health, Welfare, & Social Services							
Current:							
Personnel	-	100,076	62,358	100,043	48,841	-	311,318
Fringe	-	10,872	6,774	10,869	5,306	-	33,821
Travel	-	3,381	50	24,841	56	-	28,328
Operating Services	-	101,061	32,213	49,785	22,028	-	205,087
Operating Supplies	-	15,778	5,937	6,520	1,514	-	29,749
Debt service -							
Principal	80,213	-	-	-	-	-	80,213
Interest	2,438	-	-	-	-	-	2,438
Total Expenditures	<u>82,651</u>	<u>231,168</u>	<u>107,332</u>	<u>192,058</u>	<u>77,745</u>	<u>-</u>	<u>690,954</u>
Excess (deficiency) of revenues over expenditures	<u>592,607</u>	<u>(123,693)</u>	<u>(69,058)</u>	<u>(138,435)</u>	<u>(60,449)</u>	<u>2,610</u>	<u>203,582</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	123,693	69,058	138,435	60,449	-	391,635
Transfers out	<u>(391,635)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(391,635)</u>
Total other financing sources (uses)	<u>(391,635)</u>	<u>123,693</u>	<u>69,058</u>	<u>138,435</u>	<u>60,449</u>	<u>-</u>	<u>-</u>
Net Increase (decrease) in fund balances	200,972	-	-	-	-	2,610	203,582
FUND BALANCES							
Beginning of the year	<u>315,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,004</u>	<u>319,987</u>
End of the year	<u>\$ 516,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ 523,569</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended June 30, 2021

Net increase in fund balances - total governmental funds	\$ 203,582
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 (\$56,987) exceeds capital outlay (\$0) in the period	(56,987)
Governmental funds report principal payments on debt, including obligations of capital leases, as expenditures. However, in the government-wide financial statements these payments are recorded as a reduction of the associated debt and not as an expense.	80,213
Governmental funds report compensated absences as expenditures only when paid and therefore the amount earned in excess of the amount paid do not require the use of current financial resources and is not reported as an expenditure in government funds.	<u>281</u>
Change in net position of governmental activities	<u>\$ 227,089</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 PURPOSE AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Purpose of the Council on Aging

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

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

B. Reporting Entity

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

C. Presentation of Statements

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

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

D. Basic Financial Statements - Government-Wide Statements

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

E. Basic Financial Statements - Fund Financial Statements

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

PCOA (Act 735) funds are appropriated annually for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council's management may use these "Act 735" funds at its discretion to fund any of its programs provided the program is benefiting elderly people (those who are at least 60 years old). During the year, the Council received this grant money into its General Fund and management transferred all of its PCOA (\$100,000) grant funds to the Title III programs to help pay for program expenditures of those funds.

The Senior Center Fund and Supplemental Senior Center Funds are also appropriated annually for the Council and remitted to the Council via GOEA. These grant funds can be used at management's discretion to pay for costs of any program involving elderly persons who are at least 60 years old. To obtain supportive services and participate in activities which foster their independences, enhance their dignity, and encourage their involvement in and with the community, the elderly person will come to a "senior center." The senior center for Acadia Parish is located in Crowley. During the year, management transferred all of its Senior Center (\$74,143) and Supplemental Senior Center (\$3,100) grant funds to the Title III B Fund to subsidize that program's cost of providing supportive services to elderly persons who used the senior center.

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

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Major Special Revenue Funds

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

	<u>Units</u>
Homemaker	694
Information and assistance	1,545
Outreach	251
Telephoning	4,586
Transportation	3,431

There were two main sources of revenues received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part B _ Supportive Services (\$96,906) and restricted, voluntary public support from person who actually received homemaker (\$137) and transportation (\$10,432) services under this program.

The Section 5310 Fund is used to account for funds which are used to provide various transportation services for those individuals who are eligible for Medicaid services. In contrast, transportation services provided to the residents who are at least 60 years old are accounted for in the "Elderly Transportation" program of the Title II B Fund.

Title III C-1 Fund receives funding from United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year ended June 30, 2021, the Council served about 3,789 congregate meals and also provided 120 units of nutritional education to eligible participants.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-1 _ Nutrition Services (\$36,976) and restricted, voluntary contributions from those persons who received congregate meals (\$1,298).

The Title III C-2 Fund is used to account for funds that are used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds the Council served 80,134 meals during the year to people eligible to participate in this program.

There were two main sources of revenue received this year that form the basis of this fund: Grants from GOEA via CAAA for Special Programs for the Aging _ Title III, Part C-2 _ Nutrition Services (\$39,433) and restricted, voluntary contributions from the public (\$14,190), including those persons actually receiving home-delivered meal services.

ACADIA COUNCIL 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 used to provide services, such as; (1) information to caregivers about available services, (2) assistance to caregivers in gaining access to the services, (3) individual counseling, (4) organizational support groups, (5) caregiver training to caregivers in making decisions and solving problems relating to their caregiving roles, (6) respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities, and (7) supplemental services, on a limited basis, to complement the care provided by caregivers. During the fiscal year 70 units of information and assistance, 248 units of in home respite, and 510 units of sitter service were provided under the Title III E program. The main source of the revenue forming the basis for this fund is a grant the Council received from GOEA via CAAA for the Title III, Part E _ National Family Caregivers Support Program (\$17,296).

Non-Major Special Revenue Funds

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

F. Measurement Focus and Basis of Accounting

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

Modified Accrual Basis – Fund Financial Statements (FFS):

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

G. Interfund Activity

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

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

H. Cash and Cash Equivalents

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

I. Receivables

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

J. Prepaid Expenses/Expenditures

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

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

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

K. Capital Assets

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

Government-Wide Financial Statements

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

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

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

Fund Financial Statements

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

L. Non-Current (Long-term) Liabilities

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

M. Unpaid Compensated Absences

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

N. Deferred Revenues

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

O. Net position in the Government-wide Financial Statements

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

P. Fund Equity – Fund Financial Statements

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

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of resources are either:
 - Externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
 - Imposed by law through constitutional provisions or enabling legislation.

The Council has a restricted fund balance of \$6,614 as of June 30, 2021, which is restricted by contributors for utility assistance.

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

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

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

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

Q. Management's Use of Estimates

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

R. Allocation of Indirect Expenses

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

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

S. Elimination and Reclassifications

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

T. Subsequent Events

Management has evaluated subsequent events through December 15, 2021, the date the financial statements were available to be issued. There were no events that required disclosure.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2 REVENUE RECOGNITION

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

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

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

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS

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

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

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

Cash is reported at its carrying value, which equals its fair value. At year-end, the combined carrying amount of the Council's cash balances on its books was \$500,054, including \$100 of petty cash, whereas the related bank balances totaled \$503,918. The primary difference in these amounts relates to deposits made to and checks written on demand deposits accounts that have not yet cleared the bank accounts. At year-end, all of the bank balances were insured 100% by federal depository insurance and Federal Reserve holding pledged securities.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 CASH MANAGEMENT AND BANK DEPOSITS (Continued)

<u>Cash</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Credit Risk Category</u>
Bank of Commerce	\$458,146	\$458,146	None	Demand	Category 1
Evangeline Bank and Trust	41,808	41,808	None	Demand	Category 1
Petty Cash	<u>100</u>	<u>100</u>	None	N/A	None
Total Cash	<u>\$500,054</u>	<u>\$500,054</u>			
Unrestricted Purpose	\$493,440				
Restricted Purpose:					
Utility assistance	<u>6,614</u>				
Total Cash	<u>\$500,054</u>				

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

NOTE 4 GOVERNMENT GRANTS AND CONTRACTS RECEIVABLE

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

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

<u>Program</u>	<u>Fund</u>	<u>Provider</u>	<u>Amount</u>
Social Services	Title III B	CAAA	\$ 22,628
Congregate Meals	Title III C-1	CAAA	3,500
Home Delivered Meals	Title III C-2	CAAA	3,874
Caregivers	Title III E	CAAA	<u>978</u>
Total government grants and contracts receivable			<u>\$ 30,980</u>

NOTE 5 PREPAID EXPENDITURES AND EXPENSES

At year-end, prepaid expenditures in the Fund Balance Sheet consists of \$14,909 of prepaid insurance and \$1,087 of prepaid subscription. All of the prepaid expenditures are considered current, which management expects the Council to consume and economically benefit from in the next fiscal year.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

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

	Balance 06/30/20	Increases	Decreases	Balance 06/30/20
Capital Assets				
Vehicles	\$ 328,445	\$ -	\$ -	\$ 328,445
Furniture & equipment	116,739	-	-	116,739
Building and improvements	458,749	-	-	458,749
Land improvements	<u>26,750</u>	<u>-</u>	<u>-</u>	<u>26,750</u>
Subtotal	<u>930,683</u>	<u>-</u>	<u>-</u>	<u>930,683</u>
Accumulated depreciation				
Vehicles	227,134	30,776	-	257,910
Furniture & equipment	70,745	10,742	-	81,487
Building and improvements	301,961	14,131	-	316,092
Land improvements	<u>14,713</u>	<u>1,338</u>	<u>-</u>	<u>16,051</u>
Subtotal	<u>614,553</u>	<u>56,987</u>	<u>-</u>	<u>671,540</u>
Net capital assets	<u>\$ 316,130</u>	<u>\$ (56,987)</u>	<u>\$ -</u>	<u>\$ 259,143</u>

All the Council's vehicles are operational at year end. The Council's management has reviewed capital assets and does not believe any capital assets has been impaired as of year-end. Depreciation of \$56,987 was charged to governmental activities as administrative expense for the year ended June 30, 2021.

NOTE 7 CHANGES IN LONG-TERM DEBT

The Council had long-term debt relating to compensated absences, note payable, and capital leases during the year ended June 30, 2021. The following is a schedule of the changes in long-term debt for the year ended June 30, 2021:

	June 30, 2020	Increases	Decreases	June 30, 2021
Accrued annual leave	\$ 5,562	\$ -	\$ 281	\$ 5,281
Note payable	77,194	-	77,194	-
Capital lease	<u>7,297</u>	<u>-</u>	<u>3,019</u>	<u>4,278</u>
Total long-term debt	<u>\$ 90,053</u>	<u>\$ -</u>	<u>\$ 80,494</u>	<u>\$ 9,559</u>

Capital lease at June 30, 2021 is comprised of the following:

Canon Financial Services, Inc., original amount of \$15,097, payable in 60 monthly installments of \$252, bearing no stated interest, collateralized by equipment \$ 4,278

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 7 CHANGES IN LONG-TERM DEBT (Continued)

The annual requirements to amortize all debt outstanding at June 30, 2021 are as follows:

<u>Year Ending June 30,</u>	<u>Capital Lease</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2021	\$ 3,019	\$ -	\$ 3,019
2022	<u>1,259</u>	<u>-</u>	<u>1,259</u>
	<u>\$ 4,278</u>	<u>\$ -</u>	<u>\$ 4,278</u>

NOTE 8 FUND BALANCES – FUND FINANCIAL STATEMENTS

The General Fund has \$15,996 of nonspendable funds that are to be used for prepaid expenses.

The Council has \$6,614 of utility assistance contributions that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council’s Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B fund, GOEA preferred that council on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE 9 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax. However, should the Council engage in activities unrelated to its exempt purpose, taxable income could result. Council had no material unrelated business income for the fiscal year under audit.

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 10 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 11 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

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

NOTE 12 CONTINGENCIES – GRANT PROGRAMS

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

NOTE 13 ECONOMIC DEPENDENCY

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

NOTE 14 RISK MANAGEMENT

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

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

ACADIA COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the year.

NOTE 16 RETIREMENT PLAN

The Council sponsors a defined contribution 401(k) profit-sharing plan. Employees meeting certain eligibility requirements can participate in the plan to the extent allowed under Internal Revenue Service rules. The Council did not make any contributions to the plan for the year ended June 30, 2021.

NOTE 17 INTERFUND TRANSFERS

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

	Funds transferring in:				Total
	Title III B	Title III C-2	Title III C-1	Title III E	
<u>Funds transferring out:</u>					
General Fund	\$ 40,385	\$ 68,672	\$ 44,886	\$ 60,449	\$ 214,392
PCOA	6,065	69,763	24,172	-	100,000
Senior Center	74,143	-	-	-	74,143
Supplemental Senior Center	<u>3,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,100</u>
	123,693	138,435	69,058	60,449	391,635
Total all funds	<u>\$123,693</u>	<u>\$138,435</u>	<u>\$69,058</u>	<u>\$60,449</u>	<u>\$391,635</u>

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 18 COMPENSATION, BENEFITS AND OTHER PAYMENTS TO EXECUTIVE DIRECTOR

A detail of compensation, benefits, and other payments made to executive director Malita Bartie for the year ended June 30, 2021 follows:

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 76,168
Travel	11
Reimbursements	<u>1,698</u>
Total	<u>\$ 77,877</u>

NOTE 19 COVID-19 PANDEMIC

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Council's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Council's financial condition or results of operations is uncertain.

SUPPLEMENTARY INFORMATION REQUIRED BY GASB STATEMENT 34

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 General Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ 315,983	\$ 315,983	\$ 315,983	\$ -
Resources (inflows):				
Total revenues and other financing sources	<u>667,243</u>	<u>667,243</u>	<u>675,258</u>	<u>8,015</u>
Amounts available for appropriation	<u>983,226</u>	<u>983,226</u>	<u>991,241</u>	<u>8,015</u>
Charges to appropriations (outflows):				
Personnel and fringe	-	-	-	-
Travel	-	-	-	-
Operating services	-	-	-	-
Operating supplies	-	-	-	-
Other costs	700	-	-	-
Capital outlay	-	-	-	-
Debt service	22,176	79,596	82,651	(3,055)
Transfers out	<u>675,335</u>	<u>256,917</u>	<u>391,635</u>	<u>(134,718)</u>
Total charges to appropriations	<u>698,211</u>	<u>336,513</u>	<u>474,286</u>	<u>(137,773)</u>
Budgetary fund balance, June 30	<u>\$ 285,015</u>	<u>\$ 646,713</u>	<u>\$ 516,955</u>	<u>\$ (129,758)</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III B Fund
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>446,904</u>	<u>238,140</u>	<u>231,168</u>	<u>(6,972)</u>
Amounts available for appropriation	<u>446,904</u>	<u>238,140</u>	<u>231,168</u>	<u>(6,972)</u>
Charges to appropriations (outflows):				
Personnel and fringe	175,034	110,794	110,948	(154)
Travel	5,509	3,097	3,381	(284)
Operating services	223,034	107,596	101,061	6,535
Operating supplies	39,327	14,253	15,778	(1,525)
Capital outlay	<u>4,000</u>	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Total charges to appropriations	<u>446,904</u>	<u>238,140</u>	<u>231,168</u>	<u>6,972</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-1
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>106,558</u>	<u>92,410</u>	<u>107,332</u>	<u>14,922</u>
Amounts available for appropriation	<u>106,558</u>	<u>92,410</u>	<u>107,332</u>	<u>14,922</u>
Charges to appropriations (outflows):				
Personnel and fringe	65,934	60,322	69,132	(8,810)
Travel	503	73	50	23
Operating services	23,372	27,228	32,213	(4,985)
Operating supplies	16,749	4,787	5,937	(1,150)
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total charges to appropriations	<u>106,558</u>	<u>92,410</u>	<u>107,332</u>	<u>(14,922)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III C-2
 Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>185,499</u>	<u>166,444</u>	<u>192,058</u>	<u>25,614</u>
Amounts available for appropriation	<u>185,499</u>	<u>166,444</u>	<u>192,058</u>	<u>25,614</u>
Charges to appropriations (outflows):				
Personnel and fringe	112,951	102,363	110,912	(8,549)
Travel	30,875	17,894	24,841	(6,947)
Operating services	33,017	39,549	49,785	(10,236)
Operating supplies	7,156	5,738	6,520	(782)
Capital outlay	<u>1,500</u>	<u>900</u>	<u>-</u>	<u>900</u>
Total charges to appropriations	<u>185,499</u>	<u>166,444</u>	<u>192,058</u>	<u>(25,614)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information.

ACADIA COUNCIL ON AGING, INC.

Budgetary Comparison Schedule
 Title III E
 Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Total revenues and transfers in	<u>87,488</u>	<u>75,588</u>	<u>77,745</u>	<u>2,157</u>
Amounts available for appropriation	<u>87,488</u>	<u>75,588</u>	<u>77,745</u>	<u>2,157</u>
Charges to appropriations (outflows):				
Personnel and fringe	66,680	54,388	54,147	241
Travel	513	79	56	23
Operating services	15,627	18,337	22,028	(3,691)
Operating supplies	2,668	1,584	1,514	70
Capital outlay	<u>2,000</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Total charges to appropriations	<u>87,488</u>	<u>75,588</u>	<u>77,745</u>	<u>(2,157)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to required supplementary information

ACADIA COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING

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

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

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

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

ACADIA COUNCIL ON AGING, INC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 BUDGETARY REPORTING (Continued)

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

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

ACADIA COUNCIL ON AGING, INC.

Schedule of Non-Major Funds
Year Ended June 30, 2021

	<u>Energy</u>	<u>Total</u>
REVENUES		
Intergovernmental:		
Governor's Office of Elderly Affairs	\$ -	\$ -
Cajun Area Agency on Aging, Inc.	-	-
Utility assistance	2,610	2,610
Program Service fees	<u>-</u>	<u>-</u>
Total Revenues	<u>2,610</u>	<u>2,610</u>
EXPENDITURES		
Current:		
Personnel	-	-
Fringe	-	-
Travel	-	-
Operating Services	-	-
Operating Supplies	-	-
Capital Outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over over expenditures	<u>2,610</u>	<u>2,610</u>
OTHER FINANCING SOURCES (USES)		
SOURCES (USES)		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net increase in fund balances	2,610	2,610
FUND BALANCES		
Beginning of the year	<u>4,004</u>	<u>4,004</u>
End of the year	<u>\$ 6,614</u>	<u>\$ 6,614</u>

ACADIA COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets
 And Changes In General Fixed Assets
 Year Ended June 30, 2021

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
General fixed assets:				
Vehicles	\$ 328,445	\$ -	-	\$ 328,445
Furniture and equipment	116,739	-	-	116,739
Buildings and improvements	458,749	-	-	458,749
Land improvements	<u>26,750</u>	<u>-</u>	<u>-</u>	<u>26,750</u>
 Total general fixed assets	 <u>\$ 930,683</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 930,683</u>
Investment in general fixed assets:				
Property acquired with funds from -				
Section 5311	112,722	-	-	112,722
Local	666,981	-	-	666,981
Title III D	66,146	-	-	66,146
Title III B	3,949	-	-	3,949
PCOA	<u>80,885</u>	<u>-</u>	<u>-</u>	<u>80,885</u>
 Total investment in general fixed assets	 <u>\$ 930,683</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 930,683</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Acadia Council on Aging, Inc., as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Acadia Council on Aging, Inc.'s basic financial statements, and have issued our report thereon dated December 15, 2021.

Internal Control Over Financial Reporting

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

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 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 weakness or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal 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 Acadia Council on Aging, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 2021-001.

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

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

Purpose of this Report

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

Darnall, Sikes, & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
December 15, 2021

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Part I Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

An unmodified opinion has been issued on the Acadia Council On Aging, Inc.'s financial statements as of and for the year ended June 30, 2021.

Deficiencies and Material Weaknesses in Internal Control - Financial Reporting

No deficiencies or material weaknesses in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There was one instance of noncompliance noted during the audit of the financial statements and is shown as item 2021-001 in Part II below.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2021.

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

2021-001 Budget Variances

Condition:

The Council did not comply with the budget policy.

Criteria:

In accordance with the Council's budget policy, the budget for each fund adopted by the Council should be amended when actual revenues for a particular revenue category are less than the budgeted amount by more than ten (10%) percent or when actual expenditures for a particular expense category are more than the budgeted amount by more than ten (10%) percent.

Cause:

The Council's General Fund, Title III C-1 Fund, and Title III C-2 Fund had actual expenditures that exceeded budgeted expenditures by more than 10%. The Council failed to amend the budget accordingly.

Effect:

Inaccurate budgeting counters fiscal responsibility.

Recommendation:

The Council should monitor revenue and expenditures for each fund in order to effectively advise when any ten percent variances occur.

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021

Part III Findings and Questioned Costs Relating to the Federal Programs

This section is not applicable for the fiscal year ended June 30, 2021

Part IV Management Letter

The auditor did not issue a management letter this year.

ACADIA COUNCIL ON AGING, INC.

Summary Schedule of Prior Audit Findings
Year Ended June 30, 2021

2020-001 Credit Card Interest and Fees

Status: This finding has been resolved.

2020-002 Insurance Cost

Status: This finding has been resolved.

2020-003 Bank Reconciliation Procedures

Status: This finding has been resolved.

2020-004 Payments to Vendor

Status: This finding has been resolved.

2020-005 Accounting for Compensated Absences

Status: This finding has been resolved.

2020-006 Issuance of Form 1099

Status: This finding has been resolved.

2020-007 Payroll Processing Errors

Status: This finding has been resolved.

2020-008 Delinquent Payroll Taxes

Status: This finding has been resolved.

ACADIA COUNCIL ON AGING, INC.

Management's Corrective Action Plan
Year Ended June 30, 2021

Response to Findings:

2021-001 Budget Variances

Response: The Council will monitor revenues and expenditures for each fund in order to effectively advise when any ten percent variances occur and amend the budget as necessary.