

RECEIVED
LEGISLATIVE AUDITOR
2000 JAN 11 AM 9:43

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

ACADIA COUNCIL ON AGING, INC.
FINANCIAL REPORT
JUNE 30, 1999

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date ~~FEB 02 2000~~

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	3
Combined Balance Sheet - All Fund Types and Account Groups	4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Budgeted Special Revenue Funds	6
Notes to Financial Statements	7-21
 SUPPLEMENTARY INFORMATION	
 SCHEDULES OF INDIVIDUAL FUNDS	
Statement of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund	24
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances - All Special Revenue Funds	25-26
Statement of Expenditures - Budget (GAAP Basis) and Actual - Budgeted Special Revenue Funds	27-28
 INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	30-31
Schedule of Findings and Questioned Costs	32-34
Schedule of Prior Year Findings	35-36
Management's Corrective Action Plan	37-38
 OTHER SUPPLEMENTARY INFORMATION	
Schedule of Changes in General Fixed Assets	40
Schedule of Disbursements to Board Members	41

WRIGHT, MOORE, DEHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants

P. O. Box 53246 • 114 Representative Row

Lafayette, Louisiana 70505-3246

(337) 232-3637 • (337) 235-9455

FAX (337) 235-8557

JOHN W. WRIGHT, CPA*
M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*
JAMES H. DUPUIS, CPA, CVA*
JOE D. HUTCHINSON, CPA, L.L.C.*
JAN H. COWEN, CPA*
DEBORAH C. GORDON, CPA, CVA*

LANCE E. CRAPPELL, CPA
CHERYL L. BARTLEY, CPA,
M. Acc. (Taxation)
ANDRÉ D. BROUSSARD, CPA
A. RENA SCOGGIN, CPA
GWENDOLYNN D. ELKINS, CPA

INDEPENDENT AUDITORS' REPORT

* A PROFESSIONAL CORPORATION

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

We were engaged to audit the accompanying general purpose financial statements of the Acadia Council on Aging, Inc. as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Council's management.

Detailed records have not been maintained relating to accounts payable and supporting data regarding the allocation of expenses were not available for our audit. Therefore, we were not able to satisfy ourselves regarding the proper allocation of expenses or the accuracy of accounts payable in the accompanying general purpose financial statements as of and for the year ended June 30, 1999.

Because of the significance of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the general purpose financial statements referred to in the first paragraph.

The accompanying general purpose financial statements have been prepared assuming that the Council will continue as a going concern. Due to prior and current year findings in the federal and state programs, grant revenues have been reduced significantly. This condition raises substantial doubt about its ability to continue as a going concern at June 30, 1999. The general purpose financial statements do not include any adjustment that might result from the outcome of this uncertainty.

As discussed in Note 9 to the general purpose financial statements, the Council is subject to a final review by the grantor agency for each of the federal and state grant programs. Due to prior and current year findings, the grantor agencies may request reimbursement of program funds received by the Council, the ultimate outcome of which cannot presently be determined. Accordingly, no provision for any liability that may result has been made in the general purpose financial statements.

In accordance with Government Auditing Standards, we have also issued our report dated December 15, 1999 on our consideration of the Acadia Council on Aging, Inc.'s internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. As previously stated, the scope of our work was not sufficient to enable us to express an opinion, and we do not express, an opinion on the supplemental information.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

December 15, 1999

WMDDH

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

ACADIA COUNCIL ON AGING, INC.

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999**

	Governmental		Account Groups		Total (Memorandum Only)
	Fund Types		General	General	
	General	Special Revenue	Fixed Assets	Long-Term Debt	
ASSETS					
Cash	\$ 10,778	\$ 7,275	\$ -	\$ -	\$ 18,053
Due From Other Funds	348,948	249,482	-	-	598,430
Accounts Receivable	69,018	-	-	-	69,018
Fixed Assets	-	-	735,268	-	735,268
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	360,499	360,499
TOTAL ASSETS	\$ 428,744	\$ 256,757	\$ 735,268	\$ 360,499	\$ 1,781,268
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts Payable	\$ 93,976	\$ -	\$ -	\$ -	\$ 93,976
Due to Other Funds	334,781	263,650	-	-	598,431
Accrued Payroll and Related Benefits Payable	11,998	-	-	-	11,998
Long-Term Debt - Notes Payable	-	-	-	315,895	315,895
Capital Lease Obligations	-	-	-	36,986	36,986
Accumulated Unpaid Vacation	-	-	-	7,618	7,618
Total Liabilities	440,755	263,650	-	360,499	1,064,904
Fund Equity:					
Investment in Fixed Assets	-	-	735,268	-	735,268
Fund Balances -					
Unreserved - Undesignated	(12,011)	(10,772)	-	-	(22,783)
Reserved for Payment of Utility Bills	-	3,879	-	-	3,879
Total Fund Balances	(12,011)	(6,893)	-	-	(18,904)
Total Fund Equity	(12,011)	(6,893)	735,268	-	716,364
TOTAL LIABILITIES AND FUND EQUITY	\$ 428,744	\$ 256,757	\$ 735,268	\$ 360,499	\$ 1,781,268

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999**

	General	Special Revenue	Total (Memorandum Only)
Revenues:			
Intergovernmental	\$ 47,807	\$ 476,485	\$ 524,292
Program	-	72,321	72,321
Local and Miscellaneous	214,742	8,280	223,022
Total Revenues	262,549	557,086	819,635
Expenditures:			
Current -			
Salaries	64,309	302,462	366,771
Fringe	5,469	20,420	25,889
Travel	552	28,609	29,161
Operating Services	15,791	199,292	215,083
Operating Supplies	1,150	60,095	61,245
Other Costs	101,083	(61)	101,022
Debt Service -			
Principal	34,473	-	34,473
Interest	22,103	-	22,103
Total Expenditures	244,930	610,817	855,747
Excess (Deficiency) of Revenues Over Expenditures	17,619	(53,731)	(36,112)
Other Financing Sources (Uses):			
Operating Transfers in	-	264,926	264,926
Operating Transfers Out	(31,290)	(233,636)	(264,926)
Total Other Financing Sources (Uses)	(31,290)	31,290	-
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(13,671)	(22,441)	(36,112)
Fund Balances, Beginning of Year	1,660	15,548	17,208
Fund Balances, End of Year	\$ (12,011)	\$ (6,893)	\$ (18,904)

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
BUDGETED SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 497,007	\$ 476,485	\$ (20,522)
Program	83,500	72,321	(11,179)
Local and Miscellaneous	-	8,280	8,280
Total Revenues	<u>580,507</u>	<u>557,086</u>	<u>(23,421)</u>
Expenditures:			
Current -			
Salaries	299,408	302,462	(3,054)
Fringe	18,403	20,420	(2,017)
Travel	24,686	28,609	(3,923)
Operating Services	114,639	199,292	(84,653)
Operating Supplies	26,879	60,095	(33,216)
Other Costs	2,631	(61)	2,692
Total Expenditures	<u>486,646</u>	<u>610,817</u>	<u>(124,171)</u>
Deficiency of Revenues Over Expenditures	<u>93,861</u>	<u>(53,731)</u>	<u>(147,592)</u>
Other Financing Sources (Uses):			
Operating Transfers in	268,008	264,926	(3,082)
Operating Transfers Out	<u>(268,008)</u>	<u>(233,636)</u>	<u>34,372</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>31,290</u>	<u>31,290</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>93,861</u>	<u>(22,441)</u>	<u>(116,302)</u>
Fund Balances, Beginning of Year	<u>15,548</u>	<u>15,548</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 109,409</u>	<u>\$ (6,893)</u>	<u>\$ (116,302)</u>

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Each Council is a non-profit, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenue. The Council also receives revenue from other federal, state, and local government agencies which may impose some additional requirements.

The primary function of the Council on Aging is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 12 voluntary members who serve three-year terms, governs the Council.

The Council is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Council has presented its financial statements as a separate special-purpose government.

This report includes all funds and account groups which are controlled by or dependent on the Acadia Council on Aging, Inc. Control by or dependence on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

B. Presentation of Statements

In April, 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

C. Fund Accounting

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain functions or activities.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two generic fund types and two broad fund categories (account groups).

Governmental Fund Types

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived.

The following programs comprise the Council's General Fund:

Local

Revenues, such as, (1) donations from the general public, (2) income from various fundraisers, and (3) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. Expenses incurred which are not chargeable to specific programs are recorded as "other local" program expenditures. Also, expenses incurred to produce related program service fees and fundraising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

Medicaid

This is a program where the Council completes enrollment application for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining after applying direct costs to operate this program are available for discretionary use by management.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

General Fund - continued

Medicaid - continued

The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

Bingo

This fund is used to account for the Council's charitable games activities. During the year ended June 30, 1999, the Council suspended the operations of the Bingo Hall.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use the "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old.

Bookkeeping Fund

This fund reports the activity of a bookkeeping service operating by the Council. As of June 30, 1999, the Council is no longer providing these services.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

The following are the funds which comprise the Council's Special Revenue Funds:

Title III-B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

Special Revenue Funds - continued

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This 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 July 1, 1998 to June 30, 1999, the Council served approximately 11,450 congregate meals.

Title III C-2 Home Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1998 to June 30, 1999, the Council served approximately 40,075 home delivered meals.

Title III-D Fund

The Title III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the U.S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

Special Revenue Funds - continued

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates two senior centers in Acadia Parish, Louisiana.

Title III-B - Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility. Ombudsman funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

Miscellaneous Grant

The Miscellaneous Grant Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

FEMA Fund

The FEMA Fund is used to account for the administration of a Disaster Assistance Program whose purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through the United Way of Acadiana which in turn "passes through" the funds to the Council.

Energy Fund

The Energy Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging, Inc. (LACOA) which in turn remits funds relating to Acadia Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Accounting - continued

Special Revenue Funds - continued

Project Care

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

Section 5311

Section 5311 funds were provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds received by the Council were based on actual operating costs of providing transportation services to rural residents within the parish. Because money received under this program was for reimbursement of costs previously incurred, the Council could have used these funds for discretionary purposes. During fiscal year ended June 30, 1998, these funds were suspended by the Department of Transportation.

Project Independence

The Project Independence Fund is used to account for revenue received from the Department of Social Services to provide transportation to the underprivileged individuals of the parish.

Title XIX

This program is used to account for funds which are used to provide personal care attendant services that will meet the needs of those diverted or deinstitutionalized beneficiaries whose disabilities preclude the acquisition of certain independent living skills related to the activities of daily living.

Transportation Fund

In previous years the Transportation Fund was used to account for the administration of the Council's transportation program for residents of the parish.

Account Groups

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following two account groups are not "funds."

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Account Groups - continued

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the Acadia Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

E. Transfers and Interfund Loans

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.

F. Budget Policy

The Council follows these procedures in establishing the budgetary data reflected in these financial statements.

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

F. Budget Policy - continued

The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.

The budget is prepared on the modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations at the individual fund level.

The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, the General Fund and some Special Revenue Funds activities are not budgeted, particularly if they are deemed to be immaterial by management.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

G. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview are captioned "Memorandum Only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

H. Fixed Assets, Including Property Leased Under Capital Leases

Assets which cost at least \$250 and which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt accounts groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt account group.

I. Compensated Absences

The Council's policy allows full time employees to carryforward 15 days of unused annual leave and 15 days of unused sick leave beyond the fiscal year-end. An employee may be paid for 15 days of unused annual leave and no days of unused sick leave upon separation. The liability for accumulated annual leave has been recorded in the General Long-Term Debt Account Group.

J. Related Party Transactions

There were no related party transactions noted during the fiscal year.

K. Restricted Assets

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

L. Reservation and Designations of Fund Balances

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

M. Use of Estimates

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

NOTE 2 REVENUE RECOGNITION - INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT AND MISCELLANEOUS REVENUES

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs.

Public Support and Miscellaneous Revenues

Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds. 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 balances to cover any negative cash balances in other funds at year end.

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the Council has cash and interest bearing deposits (book balances) totaling \$18,053 as follows:

Demand deposits	\$ 7,375
Money Market Accounts	8,678
Certificates of Deposit	<u>2,000</u>
Total	<u>\$18,053</u>

ACADIA COUNCIL ON AGING, INC.

**NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999**

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS - continued

Deposit balances (bank balances) at June 30, 1999, totaled \$32,008 and are fully secured by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

NOTE 4 CHANGES IN GENERAL FIXED ASSETS

	<u>June 30, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 1999</u>
General Fixed Assets, at cost				
Vehicles	\$310,276	\$ -	\$ 30,410	\$279,866
Equipment	68,685	-	12,010	56,675
Property and Improvements	<u>398,727</u>	<u>-</u>	<u>-</u>	<u>398,727</u>
Total General Fixed Assets	<u>\$777,688</u>	<u>\$ -</u>	<u>\$ 42,420</u>	<u>\$735,268</u>

Additionally, the Council has \$99,324 in vehicles included in the above balances which are out of service.

NOTE 5 BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

NOTE 6 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.

NOTE 7 CHANGES IN LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term account group.

	<u>Balance June 30, 1998</u>	<u>Principal</u>		<u>Balance June 30, 1999</u>
		<u>Additions</u>	<u>Retirements</u>	
Notes Payable	\$326,137	\$ -	\$10,242	\$315,895
Capital Lease Obligation	61,216	-	24,230	36,986
Accrued Annual Leave	<u>12,510</u>	<u>7,618</u>	<u>12,510</u>	<u>7,618</u>
	<u>\$399,863</u>	<u>\$ 7,618</u>	<u>\$46,982</u>	<u>\$360,499</u>

Accrued annual leave is expected to be paid during fiscal year ended June 30, 1999.

ACADIA COUNCIL ON AGING, INC.

**NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999**

NOTE 7 CHANGES IN LONG-TERM DEBT - continued

	<u>Unpaid Principal</u>
Note Payable-Rural Development, original amount of \$344,000, payable in 360 monthly installments of \$1,848, including interest at 5% per annum, secured by the office building	\$315,895
Capital lease payable Sanwa Leasing Corporation, original amount of \$11,025, payable in 34 monthly installments of \$319, including interest at 12.5% per annum, with a security deposit of \$664 and a down payment of \$1,251, secured by equipment	1,843
Capital lease payable Ford Motor Credit, original amount of \$65,832, payable in 36 monthly installments of \$2,116, including interest at 10% per annum, secured by vehicles	35,143
Accrued annual leave	<u>7,618</u>
	<u>\$360,499</u>

The annual requirements to amortize all debt outstanding at June 30, 1999 are as follows:

<u>Year Ending June 30</u>		
2000		\$ 38,846
2001		19,217
2002		7,250
2003		7,621
2004		8,011
2005 and thereafter		<u>279,554</u>
		<u>\$360,499</u>

NOTE 8 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 1999. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

NOTE 9 CONTINGENCIES - FEDERAL AWARD PROGRAMS

The Council receives revenues from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. The grantor agency for the Section 5311 program conducted a final review of the contract for the fiscal year ended June 30, 1997 and questioned approximately \$64,000 of the cost submitted by the Council for reimbursement. The Council may be required to return the funds received relating to the questioned costs if the Council is unable to provide adequate documentation. The Governor's Office of Elderly Affairs has also requested a reimbursement of \$18,000 in unsupported expenditures of funds provided by them to the agency.

ACADIA COUNCIL ON AGING, INC.

**NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999**

NOTE 10 ECONOMIC DEPENDENCY

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

NOTE 11 RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

NOTE 12 INTERFUND LOANS

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$345,712	\$336,313
Special Revenue Funds:		
Title III-B	-	6,065
Title III C-1	100	-
Title III C-2	341	-
Title III-D	4	-
Title III-F	-	3,709
Senior Center	14,450	-
Ombudsman	42	-
Transportation	-	169,055
Energy	886	-
Project Care	2,993	-
Section 5311	110,953	81,584
FEMA	1,532	-
Project Independence	75,100	-
Title XIX	<u>44,613</u>	<u>-</u>
	<u>\$596,726</u>	<u>\$596,726</u>

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 13 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 1999:

	<u>Funds Transferring In</u>	
	<u>Title III-B</u>	<u>Title III-D</u>
Funds transferring out:		
General	\$ 22,659	\$ -
Bingo	8,631	-
Senior Center	41,258	108
Project Independence	140,386	-
Miscellaneous	4,500	-
Title XIX	<u>47,384</u>	<u>-</u>
	<u>\$264,818</u>	<u>\$ 108</u>

NOTE 14 RESERVED FUND

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. These funds are accounted for in the Energy Fund and Project Care Fund (Special Revenue Funds). Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by fund source for the year ended June 30, 1999:

	<u>Balance</u> July 1, 1998	<u>Revenue</u> July 1, 1998- June 30, 1999	<u>Disbursements</u> July 1, 1998- June 30, 1999	<u>Balance</u> June 30, 1999
Entergy (Project Care)	\$2,631	\$2,265	\$1,903	\$2,993
Central LA. Electric Co. (Energy Fund)	<u>390</u>	<u>496</u>	<u>-</u>	<u>886</u>
	<u>\$3,021</u>	<u>\$2,761</u>	<u>\$1,903</u>	<u>\$3,879</u>

NOTE 15 PROGRAM YEAR-ENDS

All of the operating programs have a June 30 year-end, coinciding with the fiscal year of the Council, except for the FEMA Program which is not funded through the Area Agency, and has a September 30 year-end. These statements reflect twelve months' activity for the above program for the year ended June 30, 1999.

ACADIA COUNCIL ON AGING, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED
JUNE 30, 1999

NOTE 16 BUDGET PRESENTATION

Budgets are not presented for the General, FEMA, Energy, Project Care, Project Independence, and Title XIX, because budgets were not adopted for these funds.

The following is a schedule reconciling all special revenue funds to special revenue funds in which budgets were adopted:

	<u>Budgeted Special Revenue Funds</u>	<u>Special Revenue Funds not Budgeted</u>	<u>All Special Revenue Funds</u>
Total Revenues	\$ <u>347,300</u>	\$ <u>209,786</u>	\$ <u>557,086</u>
Total Expenditures	<u>587,546</u>	<u>23,271</u>	<u>610,817</u>
Total Other Financing Sources (Uses)	<u>219,060</u>	<u>(187,770)</u>	<u>31,290</u>
Deficiency of Revenues and Other Sources Over Expenditures and Other Uses	(21,186)	(1,255)	(22,441)
Fund Balances			
Beginning of Year	<u>28,856</u>	<u>(13,308)</u>	<u>15,548</u>
End of Year	<u>\$ 7,670</u>	<u>\$ (14,563)</u>	<u>\$ (6,893)</u>

NOTE 17 FUND DEFICITS

In the current year, Title III-B, Title III-F, and Transportation (Special Revenue Funds) have fund deficits. These deficits are expected to be eliminated in future years through operating transfers from the general fund.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

ACADIA COUNCIL ON AGING, INC.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
GENERAL FUND
YEAR ENDED JUNE 30, 1999

	General	Local	Bingo	PCOA Act 735	Medicaid	Bookkeeping	Total
Local and Miscellaneous:							
Interest	\$ 742	\$ -	\$ 205	\$ -	\$ -	\$ -	\$ 947
Rental Income	51,877	-	-	-	-	-	51,877
Bookkeeping	-	-	-	-	-	12,943	12,943
Transportation Fares	16,270	-	-	-	-	-	16,270
Donations	6,711	-	-	-	-	-	6,711
Fundraising Income	352	8,631	-	-	-	-	8,983
Miscellaneous	1,701	-	-	-	-	-	1,701
Bingo Revenue	-	-	112,895	-	-	-	112,895
Credit Union	2,415	-	-	-	-	-	2,415
Intergovernmental	21,779	-	2,137	-	23,891	-	47,807
Total Revenues	101,847	8,631	115,237	-	23,891	12,943	262,549
Expenditures:							
Current -							
Salaries	18,872	-	-	-	21,904	1,632	42,408
Fringe	4,861	-	-	-	608	-	5,469
Travel	450	-	-	-	99	3	552
Operating Services	15,494	-	-	-	289	8	15,791
Other	1,150	-	-	-	-	-	1,150
Charitable Games -							
Salaries	-	-	21,901	-	-	-	21,901
Contract Labor	-	-	4,485	-	-	-	4,485
Winnings Paid	-	-	47,900	-	-	-	47,900
Rent	-	-	18,826	-	-	-	18,826
Supplies	-	-	23,331	-	-	-	23,331
Other	-	-	6,541	-	-	-	6,541
Debt Service -							
Principal	34,473	-	-	-	-	-	34,473
Interest	22,103	-	-	-	-	-	22,103
Total Expenditures	97,403	-	122,984	-	22,900	1,643	244,930
Excess (Deficiency) of Revenues Over Expenditures	4,444	8,631	(7,747)	-	991	11,300	17,619
Other Financing Uses:							
Operating Transfers Out	(22,659)	(8,631)	-	-	-	-	(31,290)
Total Other Financing Sources (Uses)	(22,659)	(8,631)	-	-	-	-	(31,290)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(18,215)	-	(7,747)	-	991	11,300	(13,671)
Fund Balance (Deficit), Beginning of Year	(111,135)	101,323	20,271	-	-	(8,799)	1,660
Fund Balance (Deficit), End of Year	\$ (129,350)	\$ 101,323	\$ 12,524	\$ -	\$ 991	\$ 2,501	\$ (12,011)

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

	Title III-B	Title III-C-1	Title III-C-2	Title III-D	Title III-F
Revenues:					
Intergovernmental	\$ 80,795	\$ 48,067	\$ 78,604	\$ 2,673	\$ 4,260
Program	25,355	10,725	35,941	-	-
Local and Miscellaneous	5,819	-	-	-	-
Total Revenues	<u>111,969</u>	<u>58,792</u>	<u>114,545</u>	<u>2,673</u>	<u>4,260</u>
Expenditures:					
Current -					
Salaries	186,516	25,142	66,226	1,351	1,859
Fringe	12,559	2,083	4,594	218	204
Travel	8,707	2,336	16,488	217	47
Operating Services	142,091	21,239	24,656	951	944
Operating Supplies	50,363	5,699	2,672	44	1,206
Other Costs	(61)	-	-	-	-
Total Expenditures	<u>400,175</u>	<u>56,499</u>	<u>114,636</u>	<u>2,781</u>	<u>4,260</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(288,206)</u>	<u>2,293</u>	<u>(91)</u>	<u>(108)</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers In	264,818	-	-	108	-
Operating Transfers Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>264,818</u>	<u>-</u>	<u>-</u>	<u>108</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>(23,388)</u>	<u>2,293</u>	<u>(91)</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit), Beginning of Year	<u>17,323</u>	<u>314</u>	<u>432</u>	<u>4</u>	<u>(3,709)</u>
Fund Balance (Deficit), End of Year	<u>\$ (6,065)</u>	<u>\$ 2,607</u>	<u>\$ 341</u>	<u>\$ 4</u>	<u>\$ (3,709)</u>

The Accompanying Notes are an Integral Part of This Statement.

Senior Center	Ombudsman	Miscellaneous Grant	FEMA	Energy	Project Care
\$ 41,366	\$ 9,195	\$ 4,500	\$ 2,999	\$ -	\$ -
-	-	-	-	300	-
-	-	-	-	196	2,265
<u>41,366</u>	<u>9,195</u>	<u>4,500</u>	<u>2,999</u>	<u>496</u>	<u>2,265</u>
-	5,501	-	-	-	-
-	395	-	-	-	-
-	814	-	-	-	-
-	2,374	-	5,112	-	1,903
-	111	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>9,195</u>	<u>-</u>	<u>5,112</u>	<u>-</u>	<u>1,903</u>
<u>41,366</u>	<u>-</u>	<u>4,500</u>	<u>(2,113)</u>	<u>496</u>	<u>362</u>
-	-	-	-	-	-
<u>(41,366)</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(41,366)</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(2,113)	496	362
<u>14,450</u>	<u>42</u>	<u>-</u>	<u>3,644</u>	<u>390</u>	<u>2,631</u>
<u>\$ 14,450</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>\$ 1,531</u>	<u>\$ 886</u>	<u>\$ 2,993</u>

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 1999

	Project Independence	Title XIX	Transportation	Section 5311	Total
Revenues:					
Intergovernmental	\$ 150,000	\$ 54,026	\$ -	\$ -	\$ 476,485
Program	-	-	-	-	72,321
Local and Miscellaneous	-	-	-	-	8,280
Total Revenues	<u>150,000</u>	<u>54,026</u>	<u>-</u>	<u>-</u>	<u>557,086</u>
Expenditures:					
Current -					
Salaries	9,384	6,483	-	-	302,462
Fringe	217	150	-	-	20,420
Travel	-	-	-	-	28,609
Operating Services	13	9	-	-	199,292
Operating Supplies	-	-	-	-	60,095
Other Costs	-	-	-	-	(61)
Total Expenditures	<u>9,614</u>	<u>6,642</u>	<u>-</u>	<u>-</u>	<u>610,817</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>140,386</u>	<u>47,384</u>	<u>-</u>	<u>-</u>	<u>(53,731)</u>
Other Financing Sources (Uses):					
Operating Transfers In	-	-	-	-	264,926
Operating Transfers Out	(140,386)	(47,384)	-	-	(233,636)
Total Other Financing Sources (Uses)	<u>(140,386)</u>	<u>(47,384)</u>	<u>-</u>	<u>-</u>	<u>31,290</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	-	-	-	-	(22,441)
Fund Balance (Deficit), Beginning of Year	<u>75,100</u>	<u>44,613</u>	<u>(169,055)</u>	<u>29,369</u>	<u>15,548</u>
Fund Balance (Deficit), End of Year	<u>\$ 75,100</u>	<u>\$ 44,613</u>	<u>\$ (169,055)</u>	<u>\$ 29,369</u>	<u>\$ (6,893)</u>

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL -
BUDGETED SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-B</u>			
Salaries	\$ 216,839	\$ 186,516	\$ 30,323
Fringe	13,326	12,559	767
Travel	7,444	8,707	(1,263)
Operating Services	101,377	142,091	(40,714)
Operating Supplies	24,106	50,363	(26,257)
Other Costs	2,330	(61)	2,391
	<u>\$ 365,422</u>	<u>\$ 400,175</u>	<u>\$ (34,753)</u>
<u>Title III C-1</u>			
Salaries	\$ 15,789	\$ 25,142	\$ (9,353)
Fringe	971	2,083	(1,112)
Travel	437	2,336	(1,899)
Operating Services	2,194	21,239	(19,045)
Operating Supplies	633	5,699	(5,066)
Other Costs	27	-	27
	<u>\$ 20,051</u>	<u>\$ 56,499</u>	<u>\$ (36,448)</u>
<u>Title III C-2</u>			
Salaries	\$ 55,762	\$ 66,226	\$ (10,464)
Fringe	3,429	4,594	(1,165)
Travel	14,221	16,488	(2,267)
Operating Services	9,267	24,656	(15,389)
Operating Supplies	1,908	2,672	(764)
Other Costs	116	-	116
	<u>\$ 84,703</u>	<u>\$ 114,636</u>	<u>\$ (29,933)</u>
<u>Title III-D</u>			
Salaries	\$ 2,595	\$ 1,351	\$ 1,244
Fringe	159	218	(59)
Travel	599	217	382
Operating Services	436	951	(515)
Operating Supplies	56	44	12
Other	141	-	141
	<u>\$ 3,986</u>	<u>\$ 2,781</u>	<u>\$ 1,205</u>

(Continued)

The Accompanying Notes are an Integral Part of This Statement.

ACADIA COUNCIL ON AGING, INC.

STATEMENT OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL -
 BUDGETED SPECIAL REVENUE FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 1999

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-F</u>			
Salaries	\$ 2,030	\$ 1,859	\$ 171
Fringe	125	204	(79)
Travel	32	47	(15)
Operating Services	273	944	(671)
Operating Supplies	35	1,206	(1,171)
Other	3	-	3
	<u>\$ 2,498</u>	<u>\$ 4,260</u>	<u>\$ (1,762)</u>
 <u>Ombudsman</u>			
Salaries	\$ 6,393	\$ 5,501	\$ 892
Fringe	393	395	(2)
Travel	1,953	814	1,139
Operating Services	1,092	2,374	(1,282)
Operating Supplies	141	111	30
Capital Outlay	14	-	14
	<u>\$ 9,986</u>	<u>\$ 9,195</u>	<u>\$ 791</u>

The Accompanying Notes are an Integral Part of This Statement.

**INTERNAL CONTROL COMPLIANCE
AND
OTHER GRANT INFORMATION**

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants

P. O. Box 53246 • 114 Representative Row
Lafayette, Louisiana 70505-3246
(337) 232-3637 • (337) 235-9455
FAX (337) 235-8557

JOHN W. WRIGHT, CPA*
M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*
JAMES H. DUPUIS, CPA, CVA*
JOE D. HUTCHINSON, CPA, LLC*
JAN H. COWEN, CPA*
DEBORAH C. GORDON, CPA, CVA*

LANCE E. CRAPPELL, CPA
CHERYL L. BARTLEY, CPA,
M. Acc. (Taxation)
ANDRÉ D. BROUSSARD, CPA
A. RENA SCOGGIN, CPA
GWENDOLYNN D. ELKINS, CPA

* A PROFESSIONAL CORPORATION

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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 were engaged to audit the accompanying general purpose financial statements of the Acadia Council on Aging, Inc. as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Acadia Council on Aging, Inc.'s management. The scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the general purpose financial statements.

Compliance

As part of obtaining reasonable assurance about whether the Acadia Council on Aging, Inc.'s general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 instances of noncompliance that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items 1999-1, 1999-2, 1999-3, 1999-5 and 1999-8.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Acadia Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that in our judgment, could adversely affect the Acadia Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 1999-2, 1999-3, 1999-4, 1999-6, 1999-7, 1999-9 and 1999-10.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 1999-2, 1999-7, 1999-9 and 1999-10 to be material weaknesses. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Acadia Council on Aging, Inc. in a separate letter dated December 15, 1999.

WMDDH

This report is intended for the information of the board of directors, management and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis, & Hutchinson*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

December 15, 1999

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

Certified Public Accountants

P. O. Box 53246 • 114 Representative Row
Lafayette, Louisiana 70505-3246
(337) 232-3637 • (337) 235-9455
FAX (337) 235-8557

JOHN W. WRIGHT, CPA*
M. TROY MOORE, CPA*
MICHAEL G. DeHART, CPA, CVA, MBA*
JAMES H. DUPUIS, CPA, CVA*
JOE D. HUTCHINSON, CPA, LLC*
JAN H. COWEN, CPA*
DEBORAH C. GORDON, CPA, CVA*

LANCE E. CRAPPELL, CPA
CHERYL L. BARTLEY, CPA,
M. Acc. (Taxation)
ANDRÉ D. BROUSSARD, CPA
A. RENA SCOGGIN, CPA
GWENDOLYNN D. ELKINS, CPA

* A PROFESSIONAL CORPORATION

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

We have audited the financial statements of the Acadia Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated December 15, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A133. Our audit of the financial statements as of June 30, 1999 resulted in a disclaimer opinion.

Section I Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses	X Yes	No
Reportable Conditions	X Yes	No

Compliance

Compliance Material to Financial Statements	X Yes	No
---	-------	----

b. *Federal Awards*

None

c. *Identification of Major Programs*

None

Section II Financial Statement Findings

1999-1 (98-4) **Cost Allocation Plan** -OMB Rule 20 (b) (4) requires that the Cost Allocation Plan of an agency be formally certified by the oversight agency and approved by the Board of Directors. The Acadia Council on Aging did not have a certified cost allocation plan for all of its funds and approval for this plan was not obtained from the Board of Directors. This resulted in our inability to determine whether costs allocated to programs were appropriate and approved by the Board of Directors. Questioned costs related to this find were indeterminable due to the lack of documentation.

WMDDH

We recommend that the Council on Aging prepare a Cost Allocation Plan which includes all funds and have this Cost Allocation Plan formally certified by its oversight agency, Cajun Area Council on Aging, and have the Board of Directors formally approve the Plan.

- 1999-2 (98-4) **Inadequate Documentation** – The Council did not maintain adequate supporting documentation for expenditures made during the year. Missing documentation included properly voided checks, timesheets supporting payments to employees, vendor invoices, and canceled checks. Questioned costs related to this find were indeterminable due to the lack of documentation.

We recommend that the Agency ensure that adequate supporting documentation is maintained, in an orderly fashion, for all cash disbursements. The following supporting documentation should be attached to the check copy: the invoice or timesheet, the voucher authorizing payment and notation of the general ledger account to which the disbursement will be recorded

- 1999-3 **Payroll Computer System Inadequacies** - For several payroll cycles during the year adequate supporting information was not maintained. For these periods, payroll distribution registers and reports were not available due to inadequacies in the payroll accounting system. Questioned costs related to this find were indeterminable due to the lack of documentation.

We recommend that the organization's management review its payroll computer system and ensure that it is able to provide adequate documentation.

- 1999-4 **Wages paid to Bingo Employees** - Several payroll disbursements to Bingo employees were made separate from the Council regular payroll cycle. In several instances, these wages were not included on the Council's payroll tax returns and amended returns had to be prepared and filed. Additionally, federal payroll taxes were not withheld on wages paid to Bingo employees. There were no questioned costs relating to this finding.

We recommend that the Council prepare payroll disbursements for all of its employees on the same cycle using the same procedures in place, to ensure that employees are paid at the appropriate rates and the appropriate amounts of taxes withheld.

- 1999-5 **Budgets** - A complete budget was not prepared and consequently never formally adopted by the Board of Directors. The oversight agency did prepare a budget for expenditures relating to funds it provided to the Council. Additionally, no amendments to this budget were ever proposed or adopted for variances greater than 10%. Questioned costs related to this find were indeterminable due to the lack of documentation.

We recommend that the Agency prepare a budget and obtain approval for this budget by the Board of Directors. The Agency's management should compare budgeted amounts with actual activity on a monthly basis and research material variances and amend the budget as considered necessary.

- 1999-6 (97-2) **Bank Accounts** - Two bank accounts utilized for the meal sights were not included in the Council's general ledger. There were no questioned costs relating to this finding.

We recommend that all accounts in the name of the Agency be included in the general ledger. Further, these accounts should be reconciled monthly.

1999-7 (97-1) **Individual Segregation of Accounting Functions** – Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system. Questioned costs related to this find were indeterminable due to the lack of documentation.

We recommend that the Council ensure that they have adequate segregation of duties within the accounting function. We understand that given the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve the proper level of segregation of duties. However, the Council should ensure that certain key areas are adequately segregated.

1999-8 (98-5) **Procurement Policy** - Bid laws imposed by the State and adopted by the Council are not being implemented in the procurement of goods and services exceeding established dollar amounts. Questioned costs related to this find were indeterminable due to the lack of documentation.

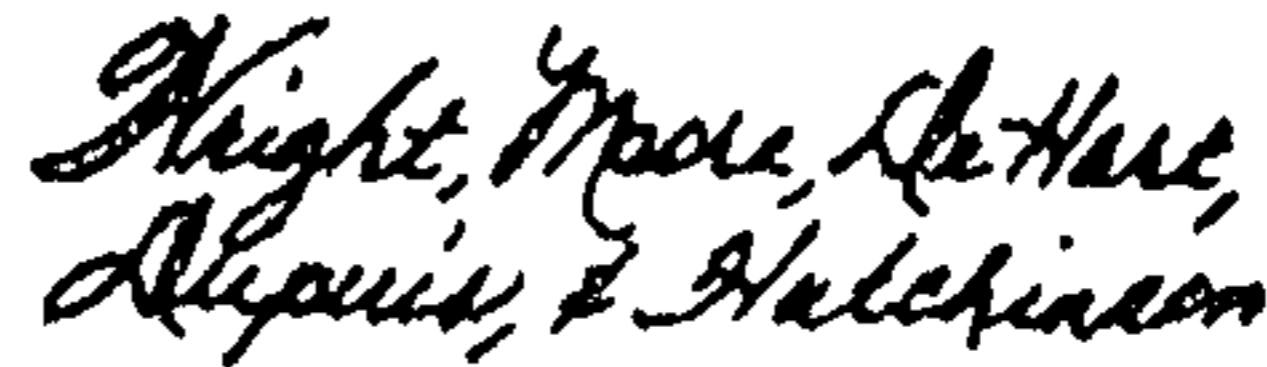
The procurement policy adopted by the Council should be reviewed and adhered to for all expenditures exceeding the prescribed dollar threshold.

1999-9 (97-3) **Payments to Vendors** – We noted several instances where payments to vendors were made from vendor monthly statements as opposed to invoices. Questioned costs related to this find were indeterminable due to the lack of documentation.

We recommend that payments to vendors be made from invoices and the invoices should be cancelled in order to prevent duplicate payment.

1999-10 **Presentation of Financial Statements** – Management has elected to maintain the fund balances and related intercompany receivables and payables in the Transportation Fund and the Section 5311 Fund even though the Council is no longer receiving funds from these revenue sources. Therefore, the collectibility of the intercompany receivables and payables of these funds is questionable.

We recommend the Transportation Fund and the Section 5311 Fund be closed to the General Fund to properly represent the financial position of the Council.



WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

December 15, 1999

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 1999

Section I Internal Control and Compliance Material to the Financial Statements	
1998-1 Individual Segregation of Accounting Function – based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.	Unresolved, see current year finding 1999-7
1998-2 Accounts Payable – Accounts payable should be reconciled on a monthly basis. Invoices and other supporting documentation should be maintained in order to substantiate the balance	Resolved
1998-3 General Ledger References – Care should be taken to ensure that an audit trail is maintained for all transactions. Journal entires posted to the general ledger should have a reference number and cash disbursements should include the check number and vendor name.	Resolved
1998-4 Expenditures Management should implement procedures to ensure that adequate documentation is maintained regarding the allowablity and allocation of expenditures.	Partially Resolved, see current year finding 1999-1, 1999-2
1998-5 Procurement Policy – The procurement policy adopted by the Council should be reviewed and adhered to for all expenditures exceed the prescribed dollar threshold.	Unresolved, see current year finding 1999-8
1998-6 Unrecorded Activity – All activity should be posted the month it occurs and all cash accounts should be reconciled in a timely manner.	Unresolved, see current year finding 1999-6
1998-7 Duplicate Payments – Payments to vendors should be made from invoices only and the invoices should be marked paid and stapled to the check copy to eliminate duplicate payments	Unresolved, see current year finding 1999-9
Section II Internal Control and Compliance Material to Federal Awards	
1998-8 The Council should prepare a reconciliation of the general ledger (cash basis) to the program request for reimbursement report.	Resolved
1998-9 The Council should ensure percentages used to allocate expenses on the general ledger are consistent with the percentages used on the reports filed with the program's oversight agency.	Resolved
Section III Management Letter	
Fund Balance – Entires should not be posted to the fund balance accounts, except for those relating to prior periods.	Resolved
Capital Expenditures – The Council should reconcile the additions to the fixed asset inventory listing to the general ledger capital outlay avccounts monthly.	Resolved
Subsidiary Ledgers – All cash accounts and subsidiary ledgers should be reconciled to the general ledger on a monthly basis.	Resolved
Investments – Investments and borrowings should be monitored to ensure the Council's finances are utilized to the greatest advantage.	Resolved
Expense Analysis – The Council should monitor the cost of repairs on a van by van basis and evaluate the cost / benefit of operating each van.	Resolved
Procurement Policy – see further description at 1998-5	Unresolved, see current year finding 1999-8
Contracts and budgets – Files should be obtained for all contracts and budgets throughout the fiscal year and / or duration of the contract.	Partially Resolved, see current year finding 1999-5

MANAGEMENT'S CORRECTIVE ACTION PLAN
For the Year Ended June 30, 1999

Section I Internal Control and Compliance Material to the Financial Statements	
1999-1 Cost Allocation Plan - We recommend that the Council on Aging have their Cost Allocation Plan formally certified by its oversight agency, Cajun Area Council on Aging and have the Board of Directors formally approve the Plan.	Management will obtain approval and obtain certification for the Cost Allocation Plan
1999-2 Inadequate Documentation - We recommend that the Agency ensure that adequate supporting documentation is maintained, in an orderly fashion, for all cash disbursements. The following supporting documentation should be attached to the check copy; the invoice or timesheet, the voucher authorizing payment and notation of the general ledger account to which the disbursement will be recorded	Procedures will be implemented to ensure proper documentation is maintained and filed timely to prevent misplacement.
1999-3 Payroll Computer System Inadequacies - We recommend that the organization's management review its payroll computer system and ensure that it is able to provide adequate documentation.	We will monitor our payroll computer system and ensure that all reports are maintained and accessible
1999-4 Wages paid to Bingo Employees - We recommend that the Council prepare payroll disbursements for all of its employees on the same cycle using the same procedures in place to ensure that employees are paid at the appropriate rates and the appropriate amounts of taxes withheld.	We are no longer operating the Bingo Hall. However, we will ensure that all employees are paid on the same cycle and all payroll disbursements are recorded at the same time.
1999-5 Budgets - We recommend that the Agency prepare a budget and obtain approval for this budget by the Board of Directors. The Agency's management should compare budgeted amounts with actual activity on a monthly basis and research material variances and amend the budget as considered necessary.	Budgets and amendments will be prepared and approval will be obtained from the board of directors.
1999-6 Bank Accounts We recommend that all accounts in the name of the Agency be included in the general ledger. Further, these accounts should be reconciled monthly.	The Council will properly record all cash accounts in the general ledger and properly reconcile these accounts.
1999-7 Individual Segregation of Accounting Functions - We recommend that the Council ensure that they have adequate segregation of duties within the accounting function. We understand that given the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve the proper level of segregation of duties. However, the Council should ensure that certain key areas are adequately segregated.	Based on the size of the operation and the cost-benefit of additional personnel, it is not feasible to achieve complete segregation of duties. However, management will segregate wherever possible and supervise and review wherever needed
1999-8 Procurement Policy - The procurement policy adopted by the Council should be reviewed and adhered to for all expenditures exceeding the prescribed dollar threshold.	Personnel will be informed on the Council's adopted procurement policy and instructed to abide by the policy in effect.
1999-9 Payments to Vendors - Payments to vendors should be made from invoices and the related invoices cancelled in order to prevent duplicate payment	The Council will make payments from invoices only and the related invoices will be cancelled
1999-10 Presentation of Financial Statements - The Transportation Fund and the Section 5311 Fund should be closed to the General Fund	The Council will review these intercompany receivables and payables to determine the collectibility of these balances and ensure that they are properly presented.

OTHER SUPPLEMENTARY INFORMATION

ACADIA COUNCIL ON AGING, INC.

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
YEAR ENDED JUNE 30, 1999

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Retirements</u>	Balance June 30, <u>1999</u>
General Fixed Assets, at Cost:				
Vehicles	\$ 310,276	\$ -	\$ 30,410	\$ 279,866
Equipment	68,685	-	12,010	56,675
Property and Equipment	<u>398,727</u>	<u>-</u>	<u>-</u>	<u>398,727</u>
Total General Fixed Assets	<u>\$ 777,688</u>	<u>\$ -</u>	<u>\$ 42,420</u>	<u>\$ 735,268</u>
Investments in General Fixed Assets:				
Property acquired prior to July 1, 1990*	\$ 51,026	\$ -	\$ -	\$ 51,026
Property acquired after July 1 1990 with funds from -				
Title III-C-1	311	-	-	311
Title III-G	1,287	-	-	1,287
Senior Center	1,244	-	-	1,244
Section 18	181,907	-	30,410	151,497
Local	502,570	-	-	502,570
Title III-B	30,018	-	12,010	18,008
Title III-F	5,995	-	-	5,995
Donations	<u>3,330</u>	<u>-</u>	<u>-</u>	<u>3,330</u>
Total Investments in General Fixed Assets	<u>\$ 777,688</u>	<u>\$ -</u>	<u>\$ 42,420</u>	<u>\$ 735,268</u>

*Records reflecting sources from which assets acquired were not maintained prior to July 1, 1990.

ACADIA COUNCIL ON AGING, INC.

SCHEDULE OF DISBURSEMENTS TO BOARD MEMBERS

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

The following board members were reimbursed for mileage and travel expenses while attending to business of the Council.

Dorothy Broussard	\$ 98
-------------------	-------