

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 14 Unrelated Business Income (Continued)

The Form 990T required by the IRS requires different accounting treatment, specifically with respect to "capital outlay expenditures" which for tax reporting must be capitalized and depreciated rather than totally expensed. The Council did not incur capital outlay expense in this reporting year.

The expense of the Bookkeeping Fund as reported in these financial statements and in the form 990T may be reconciled as follows:

Expenses per 990T	<u>\$27,237</u>
Expenses per financial statements	<u>\$27,237</u>

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Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Acadia Council on Aging, Inc. is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Acadia Council on Aging, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 28, 1996

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ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 10 Changes in Long-Term Debt (Continued)

	<u>Unpaid Principal</u>
Note payable Bank of Commerce, original amount of \$4,000, due April 21, 1997, plus accrued interest at 7.05% per annum, secured by certificate of deposit	\$ 4,000
Accrued annual leave is expected to be paid during fiscal year ended June 30, 1997.	<u>12,341</u>
	<u>\$374,572</u> -----

The annual requirements to amortize all debt outstanding at June 30, 1996, including interest payments of \$284,391, are as follows:

<u>Year Ending June 30,</u>	
1997	\$ 63,554
1998	23,639
1999	22,176
2000	22,176
2001	22,176
2002 and thereafter	<u>505,242</u>
	<u>\$658,963</u> -----

Note 11 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.

Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

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.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

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Eunice, Louisiana
August 28, 1996

OTHER SUPPLEMENTARY INFORMATION

ACADIA COUNCIL ON AGING, INC.

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1996

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Health & Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Title III B-Supportive services	93.044	\$ 59,974	\$ 59,974	\$ 59,974
Title III C-1-Congregate meals	93.045	42,748	42,748	42,748
Title III C-2-Home delivered meals	93.045	5,930	5,930	5,930
Title III D-In-home services	93.046	1,589	1,589	1,589
Title VII - Chapter 2 - Ombudsman	93.042	5,916	5,916	5,916
Title III F-Preventive Health Services	93.043	3,480	3,480	3,480
Passed through the State Office of Family Support: Job Opportunities and Skills Training (Jobs) Project #4301				
	93.561	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>
		<u>167,637</u>	<u>167,637</u>	<u>167,637</u>
<u>Department of Transportation & Development</u>				
Passed through the City of Crowley:				
Federal Transit Admini- stration - Non-urbanized Area Public Transporta- tion, Project #La-18- X013, State Project #741-01-0102	20.509	<u>111,314</u>	<u>111,314</u>	<u>93,602</u>
<u>Federal Emergency Management Agency</u>				
Passed through the Phase X Program:				
Emergency Food and Shelter Program	83.523	<u>41,105</u>	<u>41,105</u>	<u>39,260</u>
		<u>\$320,056</u>	<u>\$320,056</u>	<u>\$300,499</u>

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Independent Auditor's Report on Schedule of Federal Financial Assistance

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996. These general purpose financial statements are the responsibility of the Acadia Council on Aging, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Acadia Council on Aging, Inc. taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 28, 1996

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Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We have applied procedures to test Acadia Council on Aging, Inc.'s compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996: Political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Acadia Council on Aging, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Acadia Council on Aging, Inc., had not complied, in all material respects, with those requirements.

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

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Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

In connection with our audit of the general purpose financial statements of the Acadia Council on Aging, Inc. and with our consideration of the Council's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments", we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advancement and reimbursements; special provisions; and amounts claimed or used for matching that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Council's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe the Acadia Council on Aging, Inc. had not complied, in all material respects, with those requirements.

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

Darnall, Sikes, Kolder, Frederick & Rainey

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ACADIA COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1996

	<u>June 30,</u> <u>1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30,</u> <u>1996</u>
General fixed assets, at cost				
Vehicles	\$145,422	\$27,866	\$ -	\$173,288
Equipment	68,035	2,950	13,121	57,864
Property and improvements	<u>398,727</u>	<u>-</u>	<u>-</u>	<u>398,727</u>
Total general fixed assets	<u>\$612,184</u>	<u>\$30,816</u>	<u>\$13,121</u>	<u>\$629,879</u>
Investment in general fixed assets				
Property acquired prior to July 1, 1990*	\$223,732	\$ -	\$10,775	\$212,957
Property acquired after July 1, 1990 with funds from -				
Title III C-1	2,902	-	309	2,593
Title III C-2	1,942	-	-	1,942
Title III G	1,287	-	-	1,287
Senior Center	3,109	-	-	3,109
Section 18	317,504	-	-	317,504
Local	52,065	27,866	55	79,876
FEMA	300	-	-	300
Title III-B	6,069	2,600	1,982	6,687
Title III-D	156	-	-	156
Ombudsman	118	-	-	118
Title III-F	3,000	-	-	3,000
Donations	<u>-</u>	<u>350</u>	<u>-</u>	<u>350</u>
Total investment in general fixed assets	<u>\$612,184</u>	<u>\$30,816</u>	<u>\$13,121</u>	<u>\$629,879</u>

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

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 9 Judgements, Claims, and Similar Contingencies (Continued)

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. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

Note 10 Changes in Long-Term Debt

	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Notes payable	\$342,784	\$37,866	\$18,419	\$362,231
Accrued annual leave	<u>12,495</u>	<u>-</u>	<u>154</u>	<u>12,341</u>
	<u>\$355,279</u>	<u>\$37,866</u>	<u>\$18,573</u>	<u>\$374,572</u>
				<u>Unpaid Principal</u>
Note payable FMHA, original amount of \$344,000, payable in 360 monthly installments of \$1,848, including interest at 5% per annum, secured by the office building				\$332,638
Capital lease payable General Electric Capital Corporation, original amount of \$8,207, payable in 36 monthly installments of \$298, including interest at 20% per annum, with one final payment of \$821, secured by equipment				1,086
Note payable Bank of Commerce, original amount of \$27,866, payable in 20 monthly installments of \$1,493, including interest at 8% per annum, secured by vehicle				18,507
Note payable Bank of Commerce, original amount of \$6,000, due June 28, 1997, plus accrued interest at 7.05% per annum, secured by certificate of deposit				6,000

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Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996, we considered the Council's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the Council's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 28, 1996.

The management of the Acadia Council on Aging, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and

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ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 12 Budget Presentation

Budgets are not presented for the General Fund, FEMA Fund, Energy Fund, Project Care Fund, Bookkeeping Fund, Section 18 Fund, Project Independence Fund and Title XIX Fund, 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:

	Budgeted Special Revenue <u>Funds</u>	Special Revenue Funds not <u>Budgeted</u>	All Special Revenue <u>Funds</u>
Total revenues	<u>\$295,289</u>	<u>\$319,258</u>	<u>\$614,547</u>
Total expenditures	<u>539,694</u>	<u>39,643</u>	<u>579,337</u>
Total other financing sources (uses)	<u>244,405</u>	<u>(253,019)</u>	<u>(8,614)</u>
Excess of revenues and other sources over expenditures and other uses	-	26,596	26,596
Fund balances			
Beginning of year	<u>14,026</u>	<u>23,674</u>	<u>37,700</u>
End of year	<u>\$ 14,026</u>	<u>\$50,270</u>	<u>\$ 64,296</u>

Note 13 Fund Deficits

In the current year, Bookkeeping (a Special Revenue Fund) has a fund deficit. This deficit will be eliminated in future years through increased funding from the general fund.

Note 14 Unrelated Business Income

The Council operates an activity which was determined for the year ended June 30, 1996, to be an activity "unrelated to the Council's tax exempt purpose" as that term is used in IRS regulations. The income of that activity (Bookkeeping Fund, a Special Revenue Fund) is, therefore, considered to be "unrelated business income" and is subject to federal taxes. The expenses reported in these financial statements comply with the accounting prescribed by the Governor's Office of Elderly Affairs.

opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

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.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

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

Darnall, Sikes, Kolder, Frederick & Rainey

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Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited the general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 28, 1996.

We have conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Acadia Council on Aging, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Acadia Council on Aging, Inc. for the year ended June 30, 1996, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our

MEMBER OF
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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

Acadia Council on Aging, Inc.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
 Special Revenue Funds (Continued)
 Year Ended June 30, 1996

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Title III-F</u>			
Salaries	\$1,450	\$2,507	\$(1,057)
Fringe	124	213	(89)
Travel	2,065	1,352	713
Operating services	1,423	597	826
Operating supplies	<u>-</u>	<u>88</u>	<u>(88)</u>
	<u>\$5,062</u>	<u>\$4,757</u>	<u>\$ 305</u>
<u>Senior Center</u>			
Salaries	\$ -	\$ 878	\$ (878)
Fringe	-	95	(95)
Operating services	<u>4,012</u>	<u>3,577</u>	<u>435</u>
	<u>\$4,012</u>	<u>\$4,550</u>	<u>\$ (538)</u>
<u>Ombudsman</u>			
Salaries	\$4,585	\$5,524	\$ (939)
Fringe	392	550	(158)
Travel	1,793	1,566	227
Operating services	2,488	1,266	1,222
Operating supplies	<u>97</u>	<u>200</u>	<u>(103)</u>
	<u>\$9,355</u>	<u>\$9,106</u>	<u>\$ 249</u>

ACADIA COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
Special Revenue Funds
Year Ended June 30, 1996

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Title III-B</u>			
Salaries	\$251,389	\$210,536	\$ 40,853
Fringe	21,492	20,686	806
Travel	6,343	8,218	(1,875)
Operating services	100,947	128,804	(27,857)
Operating supplies	36,140	11,248	24,892
Other costs	2,400	-	2,400
Capital outlay	<u>30,466</u>	<u>2,600</u>	<u>27,866</u>
	\$449,177	\$382,092	\$ 67,085
	=====	=====	=====
<u>Title III C-1</u>			
Salaries	\$ 28,965	\$ 44,508	\$(15,543)
Fringe	2,478	4,208	(1,730)
Travel	1,241	1,389	(148)
Operating services	23,238	10,249	12,989
Operating supplies	<u>663</u>	<u>682</u>	<u>(19)</u>
	\$ 56,585	\$ 61,036	\$ (4,451)
	=====	=====	=====
<u>Title III C-2</u>			
Salaries	\$ 41,829	\$ 41,620	\$ 209
Fringe	3,576	5,746	(2,170)
Travel	20,681	15,933	4,748
Operating services	4,838	11,230	(6,392)
Operating supplies	<u>934</u>	<u>1,169</u>	<u>(235)</u>
	\$ 71,858	\$ 75,698	\$ (3,840)
	=====	=====	=====
<u>Title III-D</u>			
Salaries	\$ 2,988	\$ 1,563	\$ 1,425
Fringe	256	37	219
Travel	277	285	(8)
Operating services	358	504	(146)
Operating supplies	<u>66</u>	<u>66</u>	<u>-</u>
	\$ 3,945	\$ 2,455	\$ 1,490
	=====	=====	=====

(Continued)

Miscellaneous Grant	Act 735	FEMA	Energy	Project Care	Bookkeeping	Section 18	Project Independence	Title XIX	Total
\$ 4,500	\$ 11,779	\$41,105	\$ -	\$ -	\$ -	\$111,314	\$ 96,000	\$ 43,199	\$ 528,806
-	-	-	-	-	-	-	-	-	58,101
<u>4,500</u>	<u>11,779</u>	<u>41,105</u>	<u>641</u>	<u>3,157</u>	<u>23,842</u>	<u>111,314</u>	<u>96,000</u>	<u>43,199</u>	<u>27,640</u>
									<u>614,547</u>
-	-	-	-	-	21,552	-	-	-	328,688
-	-	-	-	-	1,647	-	-	-	33,182
-	-	-	-	-	815	-	-	-	29,558
-	-	9,460	667	2,239	2,006	-	-	-	170,599
-	-	40	-	-	1,217	-	-	-	14,710
-	-	-	-	-	-	-	-	-	2,600
<u>-</u>	<u>-</u>	<u>9,500</u>	<u>667</u>	<u>2,239</u>	<u>27,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>579,337</u>
<u>4,500</u>	<u>11,779</u>	<u>31,605</u>	<u>(26)</u>	<u>918</u>	<u>(3,395)</u>	<u>111,314</u>	<u>96,000</u>	<u>43,199</u>	<u>35,210</u>
-	-	-	-	-	-	-	-	-	297,500
<u>(4,500)</u>	<u>(11,779)</u>	<u>(29,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,602)</u>	<u>(88,000)</u>	<u>(41,657)</u>	<u>(306,114)</u>
<u>(4,500)</u>	<u>(11,779)</u>	<u>(29,760)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,602)</u>	<u>(88,000)</u>	<u>(41,657)</u>	<u>(8,614)</u>
-	-	1,845	(26)	918	(3,395)	17,712	8,000	1,542	26,596
-	-	7	475	1,145	714	21,333	-	-	37,700
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,852</u>	<u>\$ 449</u>	<u>\$2,063</u>	<u>\$(2,681)</u>	<u>\$ 39,045</u>	<u>\$ 8,000</u>	<u>\$ 1,542</u>	<u>\$ 64,296</u>
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====



ACADIA COUNCIL ON AGING, INC.

Statement of Revenues Expenditures and Changes in Fund Balance -
General Fund (Continued)
Year Ended June 30, 1996

Other financing sources (uses)	
Proceeds from loans	\$ 37,866
Operating transfers in	22,918
Operating transfers out	<u>(14,304)</u>
Total other financing sources (uses)	<u>46,480</u>
Excess of revenues and other sources over expenditures and other uses	7,872
Fund balance	
Beginning of year	<u>18,201</u>
End of year	<u>\$ 26,073</u>

ACADIA COUNCIL ON AGING, INC.

Statement of Revenues Expenditures and Changes in Fund Balance -
 General Fund
 Year Ended June 30, 1996

Local and miscellaneous	
Interest	\$ 1,713
PMS Units	88
Donations	1,025
Mayday activities	5,527
Trips	4,074
Cajun Dome concessions	4,112
Lottery ticket sales	903
Miscellaneous	3,571
Bingo revenue	509,632
Miles for meals	5,793
Rice festival booth	368
Benefit income	<u>1,908</u>
Total revenues	<u>538,714</u>
Expenditures	
Current -	
Fringe	1,209
Travel	4,229
Operating services	4,339
Operating supplies	1,720
Other costs	6,523
Charitable games -	
Salaries	7,424
Fringe	568
Contract labor	5,440
Winnings paid	433,300
Rent	27,448
Supplies	16,954
Other	1,768
Capital outlay	27,866
Debt service -	
Principal	18,418
Interest	<u>20,116</u>
Total expenditures	<u>577,322</u>
Excess (deficiency) of revenues over expenditures	<u>_(38,608)</u>

(Continued)

SCHEDULES OF INDIVIDUAL FUNDS

regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

<u>Accounting Controls</u>	<u>Administrative Controls</u>	
	<u>General Requirements</u>	<u>Specific Requirements</u>
Receipts/Revenue	Political Activity	Eligibility
Disbursements/Expenditures	Civil Rights	Types of services allowed or unallowed
Payroll	Cash Management	Matching, level of effort, or earmarking
	Federal Financial Reports	Amounts claimed or used for matching
	Allowable Costs/Cost Principles	Reporting
	Drug-Free Workplace Act	Claims for Advancement and Reimbursement
	Administrative Requirements	Special Provisions

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the Acadia Council on Aging, Inc. had no major federal financial assistance programs and expended 51% of its total federal financial assistance programs under the following non-major programs: Title III B - Supportive Services and Section 18 - Rural Transportation.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the Council's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 7 Interfund Receivables, Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 2,681	\$42,628
Special Revenue Funds		
Bookkeeping	-	2,681
Project Care	2,063	-
Energy	449	-
Senior Center	14,026	-
Project Independence	8,000	-
Title XIX	1,542	-
Section 18	<u>16,548</u>	<u>-</u>
	<u>\$45,309</u>	<u>\$45,309</u>

Note 8 Reserved Fund Balance

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. 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, 1996:

	<u>Balance July 1, 1995</u>	<u>Revenue July 1, 1995 - June 30, 1996</u>	<u>Disbursements July 1, 1995 - June 30, 1996</u>	<u>Balance June 30, 1996</u>
Entergy (Project Care)	\$1,145	\$3,157	\$2,239	\$2,063
Central LA. Electric Co. (Energy Fund)	<u>475</u>	<u>641</u>	<u>667</u>	<u>449</u>
	<u>\$1,620</u>	<u>\$3,798</u>	<u>\$2,906</u>	<u>\$2,512</u>

Note 9 Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council at June 30, 1996. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Ombudsman Fund

The Ombudsman Program was established to investigate and resolve complaints of any relevant nature on behalf of individuals, especially aged individuals who are residents of long-term care facilities. 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.

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. These funds are accounted for in a separate special revenue fund to facilitate tracking of this resource and to ensure its utilization in the budget period. The funds are unrestricted in application and are transferred from this Special Revenue Fund for appropriate application in the General Fund and other Special Revenue Funds.

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.

Energy Fund

The Energy Fund is used to account for the administration of programs that are sponsored by the Central Louisiana Electric Company, a local utility company. The company collects contributions from service customers and remits the funds to the Louisiana Association of Councils on Aging (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)

Note 1 Summary of Significant Accounting Policies (Continued)

The following fund comprises the Council's General Fund:

Local

Local funds are received from various local sources; such funds not being restricted to any special use.

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 provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

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. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

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. These funds are used to provide nutritional meals to home-bound older persons.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers and transportation. A Board of Directors, consisting of 13 members who serve three-year terms, governs the Council.

C. Financial Reporting Entity

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

D. Fund Accounting

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, fund equity, revenues and expenditures. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the Council's governmental fund types:

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 sources from which they are derived.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

A. 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.

The accompanying financial statements conform to 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.

B. Organization

Act 456 of 1964, 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 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 revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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 statement as a separate special-purpose government.

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. Such

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, 1996

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues			
Intergovernmental	\$ 237,188	\$ 237,188	\$ -
Program	<u>44,050</u>	<u>58,101</u>	<u>14,051</u>
Total revenues	<u>281,238</u>	<u>295,289</u>	<u>14,051</u>
Expenditures			
Current -			
Salaries	331,206	307,136	24,070
Fringe	28,318	31,535	(3,217)
Travel	32,400	28,743	3,657
Operating services	137,304	156,227	(18,923)
Operating supplies	37,900	13,453	24,447
Other costs	2,400	-	2,400
Capital outlay	<u>30,466</u>	<u>2,600</u>	<u>27,866</u>
Total expenditures	<u>599,994</u>	<u>539,694</u>	<u>60,300</u>
Excess (deficiency) of revenues over expenditures	<u>(318,756)</u>	<u>(244,405)</u>	<u>74,351</u>
Other financing sources (uses)			
Operating transfer in	372,389	297,500	(74,889)
Operating transfer out	<u>(53,633)</u>	<u>(53,095)</u>	<u>538</u>
Total other financing sources (uses)	<u>318,756</u>	<u>244,405</u>	<u>(74,351)</u>
Excess of revenues and other sources over expenditures and other uses	-	-	-
Fund balances			
Beginning of year	<u>14,026</u>	<u>14,026</u>	-
End of year	<u>\$ 14,026</u>	<u>\$ 14,026</u>	\$ -

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

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."

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 government 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.

E. Basis of Accounting

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

The governmental fund types (General and Special Revenue Funds) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Intergovernmental revenues are considered susceptible to accrual. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting, when the related fund liability is incurred, if measurable.

ACADIA COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1996

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	General Fixed Assets	General Long-term Debt	
ASSETS					
Cash	\$33,896	\$ 1,852	\$ -	\$ -	\$ 35,748
Restricted cash	4,094	-	-	-	4,094
Certificates of deposit	10,331	-	-	-	10,331
Due from other funds	2,681	42,628	-	-	45,309
Accounts receivables	13,288	22,497	-	-	35,785
Inventory	406	-	-	-	406
Prepaid expenditures	9,123	-	-	-	9,123
Fixed assets	-	-	629,879	-	629,879
Amount to be provided for retirement of general long-term debt	-	-	-	374,572	374,572
Total assets	\$73,819	\$66,977	\$629,879	\$374,572	\$1,145,247
LIABILITIES AND FUND EQUITY					
Liabilities					
Accounts payable	\$ 1,861	\$ -	\$ -	\$ -	\$ 1,861
Due to other funds	42,628	2,681	-	-	45,309
Accrued payroll and related benefits payable	3,257	-	-	-	3,257
Long-term debt:					
Notes payable	-	-	-	362,231	362,231
Accumulated unpaid vacation	-	-	-	12,341	12,341
Total liabilities	47,746	2,681	-	374,572	424,999
Fund Equity					
Investment in fixed assets	-	-	629,879	-	629,879
Fund balances					
Unreserved - undesignated	12,450	61,784	-	-	74,234
Reserved for prepaid expenditures	9,123	-	-	-	9,123
Reserved for future expenditures	4,094	-	-	-	4,094
Reserved for inventory	406	-	-	-	406
Reserved for payment of utility bills	-	2,512	-	-	2,512
Total fund balances	26,073	64,296	-	-	90,369
Total fund equity	26,073	64,296	629,879	-	720,248
Total liabilities and fund equity	\$73,819	\$66,977	\$629,879	\$374,572	\$1,145,247

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (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.

Bookkeeping Fund

This fund reports the activity of a bookkeeping service operating by the Council.

Section 18

Section 18 funds are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish. Because money received under this program is for reimbursement of costs previously incurred, the Council can use these funds for discretionary purposes.

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.

subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
August 28, 1996

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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Independent Auditor's Report

The Board of Directors
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We have audited the accompanying general purpose financial statements of the Acadia Council on Aging, Inc., as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Acadia Council on Aging, Inc. as of June 30, 1996, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 28, 1996, on our consideration of the Acadia Council on Aging, Inc.'s internal control structure, and a report dated August 28, 1996, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The 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 of the Acadia Council on Aging, Inc. Such information has been

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	Page <u>No.</u>
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	39
Independent Auditor's Report on Schedule of Federal Financial Assistance	40
Schedule of Federal Financial Assistance	41
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Changes in General Fixed Assets	43
Schedule of Corrective Action Taken on Prior Year Findings	44
Schedule of Findings and Questioned Costs	45
Schedule of Disbursements to Board Members	46
Schedule of Exit Conference	47

TABLE OF CONTENTS

	Page <u>No.</u>
Independent Auditor's Report	1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)	
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	7-22
SUPPLEMENTAL INFORMATION	
SCHEDULES OF INDIVIDUAL FUNDS	
Statement of revenues, expenditures, and changes in fund balance - general fund	25-26
Combining statement of revenues, expenditures, and changes in fund balances - all special revenue funds	27-28
Statement of expenditures - budget (GAAP Basis) and actual - special revenue funds	29-30
INTERNAL CONTROL, COMPLIANCE AND OTHER GRANT INFORMATION	
Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	32-33
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	34
Independent Auditor's Report on the Internal Control Structure used in Administering Federal Financial Assistance Programs	35-37
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	38

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ACADIA COUNCIL ON AGING, INC.

Financial Report

Year Ended June 30, 1996

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 NOV 27 1996

SUPPLEMENTAL INFORMATION

ACADIA COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Governmental Fund Types
Year Ended June 30, 1996

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Revenues			
Intergovernmental	\$ -	\$ 528,806	\$ 528,806
Program	-	58,101	58,101
Local and miscellaneous	<u>538,714</u>	<u>27,640</u>	<u>566,354</u>
Total revenues	<u>538,714</u>	<u>614,547</u>	<u>1,153,261</u>
Expenditures			
Current -			
Salaries	-	328,688	328,688
Fringe	1,209	33,182	34,391
Travel	4,229	29,558	33,787
Operating services	4,339	170,599	174,938
Operating supplies	1,720	14,710	16,430
Other costs	499,425	-	499,425
Capital outlay	27,866	2,600	30,466
Debt service -			
Principal	18,418	-	18,418
Interest	<u>20,116</u>	<u>-</u>	<u>20,116</u>
Total expenditures	<u>577,322</u>	<u>579,337</u>	<u>1,156,659</u>
Excess (deficiency) of revenues over expenditures	<u>(38,608)</u>	<u>35,210</u>	<u>(3,398)</u>
Other financing sources (uses)			
Proceeds from loans	37,866	-	37,866
Operating transfers in	22,918	297,500	320,418
Operating transfers out	<u>(14,304)</u>	<u>(306,114)</u>	<u>(320,418)</u>
Total other financing sources (uses)	<u>46,480</u>	<u>(8,614)</u>	<u>37,866</u>
Excess of revenues and other sources over expenditures and other uses	7,872	26,596	34,468
Fund balances			
Beginning of year	<u>18,201</u>	<u>37,700</u>	<u>55,901</u>
End of year	<u>\$ 26,073</u>	<u>\$ 64,296</u>	<u>\$ 90,369</u>

The accompanying notes are an integral part of this statement.

ACADIA COUNCIL ON AGING, INC.

Schedule of Corrective Action Taken on Prior Year Findings
June 30, 1996

There were no prior year findings.

ACADIA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 1996

Participant Evaluations

Finding:

The Council is required to reassess Title III C-1 participants annually and Title III C-2 participants every six months. We obtained a list of sixty-five (65) Title III C-1 participants and one hundred eighty (180) Title III C-2 participants and reviewed a sample of ten participant files. Based on the results of our sample, we noted four exceptions. Two participant files were misplaced and could not be located, and two participants had not been reassessed within the proper time period.

Recommendation:

All Title III C-1 and Title III C-2 participants should be reassessed on an annual and semi-annual basis, respectively.

Response:

Due to a small number of personnel, it has become difficult to reassess Title III C-1 and Title III C-2 participants as required, however increased efforts will be made in the future to do so.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 5 Restricted Cash

Restricted cash consists of cash investments whose use is limited by note agreements. In accordance with the note agreements, the Council shall deposit \$154 each month into a separate bank account. Once the Council accumulates \$22,176 in the account, the monthly deposits may be suspended. The purpose of this is to help prevent default on the payment of the notes.

Note 6 Operating Transfers In, Out

	<u>Funds transferring out:</u>				<u>Section 18</u>
	<u>General</u>	<u>Senior Center</u>	<u>Act 735</u>	<u>FEMA</u>	
Funds transferring in:					
Title III-B	\$11,690	\$36,816	\$ 6,900	\$ 587	\$82,000
Title III-C-1	2,614	-	1,882	-	-
Title III-C-2	-	-	-	17,857	-
Title III-D	-	-	586	-	-
Title III-F	-	-	265	-	-
Ombudsman	-	-	2,146	-	-
General	-	-	-	11,316	11,602
	<u>\$14,304</u>	<u>\$36,816</u>	<u>\$11,779</u>	<u>\$29,760</u>	<u>\$93,602</u>

	<u>Funds transferring out:</u>			<u>Total</u>
	<u>Project Independence</u>	<u>Miscellaneous Grant</u>	<u>Title XIX</u>	
Funds transferring in:				
Title III-B	\$88,000	\$4,500	\$41,657	\$272,150
Title III-C-1	-	-	-	4,496
Title III-C-2	-	-	-	17,857
Title III-D	-	-	-	586
Title III-F	-	-	-	265
Ombudsman	-	-	-	2,146
General	-	-	-	22,918
	<u>\$88,000</u>	<u>\$4,500</u>	<u>\$41,657</u>	<u>\$320,418</u>

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

K. Annual and Sick Leave

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.

L. Inventory

Inventory consists of Louisiana Lottery "Scratch and Win" tickets, valued at cost.

Note 2 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 3 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.

Note 4 Cash and Interest-Bearing Deposits

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 laws and national banks having principal offices in Louisiana. At June 30, 1996, the Council has cash and interest-bearing deposits (book balances) totaling \$50,173.

Demand deposits	\$ 39,842
Time deposits	<u>10,331</u>
Total	\$ 50,173 =====

Deposit balances (bank balances) at June 30, 1996, totaled \$75,100 and are fully secured by federal deposit insurance.

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Expenditures cannot legally exceed appropriations at the individual fund level.

H. 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 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.

I. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) should be accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. The estimated amounts of fixed assets are immaterial to these financial statements. Donated fixed assets are stated at their estimated fair market value on the date donated.

J. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term account group.

ACADIA COUNCIL ON AGING, INC.

Schedule of Exit Conference
Year Ended June 30, 1996

An exit conference was held on October 15, 1996, with the Acadia Council on Aging, Inc. In attendance were:

Lloyd Guidry, Executive Director
Ed Daigle, Bookkeeper
Robert Barousse, Board Member
Shannon Broussard, Cajun Area Agency
Paula Bihm, CPA
Steven Moosa, CPA

We reported on the results of our audit and our discovery of a material weakness in internal control, which is reported on page 32 and 35.

ACADIA COUNCIL ON AGING, INC.

Schedule of Disbursements to Board Members
Year Ended June 30, 1996

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	\$222
Julie Leger	235
Marguerite Constantin	<u>11</u>
	\$468
	=====

ACADIA COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

F. 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.

G. 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.

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

The Board of Directors reviews and adopts the budget before June 30 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.

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.