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SABINE COUNCIL ON AGING, INC
MANY, LOUISIANA

AUDIT REPORT OF ALL FUNDS
YEAR ENDED
JUNE 30, 1999

ROLAND D. KRAUSHAAR
CERTIFIED PUBLIC ACCOUNTANT

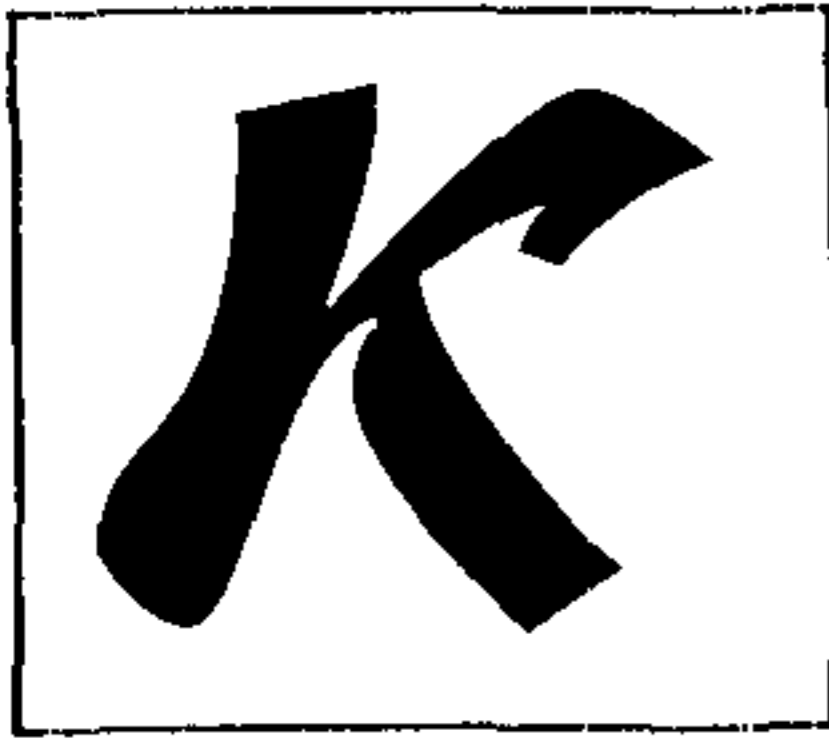
ALEXANDRIA, LOUISIANA

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 MAR 0 1 2000

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Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

January 26, 2000

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Sabine Council on Aging, Inc.
Many, Louisiana

I have audited the accompanying general purpose financial statements of the Sabine Council on Aging, Inc., for the year ended June 30, 1999, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Council on Aging, Inc., as of June 30, 1999, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated January 26, 2000, on my consideration

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization", and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



Roland D. Kraushaar
Certified Public Accountant

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999 and 1998

	<u>GOVERNMENTAL</u>		<u>ACCOUNT GROUP</u>		<u>TOTALS</u>	
	<u>FUND TYPES</u>		<u>FIXED</u>	<u>GENERAL</u>	<u>(MEMORANDUM</u>	<u>ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL</u>				
		<u>REVENUE</u>		<u>DEBT</u>		
<u>ASSETS AND OTHER DEBITS</u>						
<u>ASSETS</u>						
Cash	\$31,960	\$ -	\$ -	\$ -	\$ 31,960	\$ 13,232
Grants receivable	5,422	-	-	-	5,422	5,826
Accounts receivable	-	-	-	-	-	227
Interfund receivable	-	27,361	-	-	27,361	2,511
Prepaid expenses	2,160	-	-	-	2,160	13,136
Fixed assets	-	-	224,798	-	224,798	172,651
Other debits:						
Amount to be provided to retire long-term debt	-	-	-	6,293	6,293	8,108
Total assets	<u>\$39,542</u>	<u>\$27,361</u>	<u>\$224,798</u>	<u>\$6,293</u>	<u>\$297,994</u>	<u>\$215,691</u>
	=====	=====	=====	=====	=====	=====
<u>LIABILITIES, FUND EQUITY, OTHER CREDITS</u>						
<u>LIABILITIES</u>						
Accounts payable	1,645	-	-	-	1,645	673
Interfund payable	27,361	-	-	-	27,361	2,511
Note payable payables	-	-	-	-	-	12,574
Accumulated unpaid vacation	-	-	-	4,191	4,191	4,955
Capital lease obligations payable	-	-	-	2,102	2,102	3,153
Total liabilities	<u>\$29,006</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,293</u>	<u>\$ 35,299</u>	<u>\$23,866</u>
	=====	=====	=====	=====	=====	=====
<u>FUND EQUITY AND OTHER CREDITS</u>						
Fund balances:						
Reserved for:						
Utility assistance	-	3,179	-	-	3,179	789
Unreserved - undesignated	10,536	24,182	-	-	34,718	18,385
Investment in general fixed assets	-	-	224,798	-	224,798	172,651
Total fund equity and other credits	<u>10,536</u>	<u>27,361</u>	<u>224,798</u>	<u>-</u>	<u>262,695</u>	<u>191,825</u>
Total liabilities, fund equity and other credits	<u>\$39,542</u>	<u>\$27,361</u>	<u>\$224,798</u>	<u>\$6,293</u>	<u>\$297,994</u>	<u>\$215,691</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES
IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES

Sabine Council on Aging, Inc.
 Many, Louisiana
 Year Ended June 30, 1999 and 1998

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>1999</u>	<u>1998</u>
<u>REVENUE</u>				
Intergovernmental	\$ 21,779	\$ 259,947	\$ 281,726	\$ 266,383
Contracted services	-	94,668	94,668	59,477
General public	<u>18,282</u>	<u>33,159</u>	<u>51,441</u>	<u>52,128</u>
Total revenue	<u>\$ 40,061</u>	<u>\$ 387,774</u>	<u>\$ 427,835</u>	<u>\$ 377,988</u>
 <u>EXPENDITURES</u>				
<u>CURRENT</u>				
Salaries	\$ -	\$ 177,271	\$ 177,271	\$ 173,080
Fringe Benefits	-	21,469	21,469	17,551
Travel	-	10,482	10,482	7,860
Operating services	15,766	76,742	92,508	74,846
Operating supplies	-	18,614	18,614	15,640
Other costs	-	2,335	2,335	2,365
<u>CAPITAL OUTLAY</u>	<u>9,580</u>	<u>2,101</u>	<u>11,681</u>	<u>3,674</u>
<u>MEALS</u>	<u>-</u>	<u>74,242</u>	<u>74,242</u>	<u>67,086</u>
Total expenditures	<u>\$ 25,346</u>	<u>\$ 383,256</u>	<u>\$ 408,602</u>	<u>\$ 362,102</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>				
	<u>\$ 14,715</u>	<u>\$ 4,518</u>	<u>\$ 19,233</u>	<u>\$ 15,886</u>
 <u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ 6,090	\$ 66,135	\$ 72,225	\$ 65,351
Operating transfers out	<u>(21,779)</u>	<u>(50,446)</u>	<u>(72,225)</u>	<u>(65,351)</u>
Total other sources (uses)	<u>\$(15,689)</u>	<u>\$ 15,689</u>	<u>\$ -</u>	<u>\$ -</u>
 <u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>				
	\$ (974)	\$ 20,207	\$ 19,233	\$ 15,886
 <u>FUND BALANCE</u>				
Beginning of year	\$ 11,510	\$ 7,664	\$ 19,174	\$ 3,288
Adjustments	<u>-</u>	<u>(510)</u>	<u>(510)</u>	<u>-</u>
End of year	<u>=====</u> \$ 10,536	<u>=====</u> \$ 27,361	<u>=====</u> \$ 37,897	<u>=====</u> \$ 19,174

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Sabine Council on Aging, Inc.
Many, Louisiana
Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUE</u>						
Intergovernmental	\$ 21,779	\$ 21,779	\$ -	\$ 255,517	\$ 259,947	\$ 4,430
Contracted services	-	-	-	90,772	94,668	3,896
Miscellaneous	18,233	18,282	49	29,775	33,159	3,384
Total revenue	\$ 40,012	\$ 40,061	\$ 49	\$ 376,064	\$ 387,774	\$ 11,710
<u>EXPENDITURES</u>						
<u>CURRENT</u>						
Salaries	\$ -	\$ -	\$ -	\$ 177,528	\$ 177,271	\$ 257
Fringe Benefits	-	-	-	22,732	21,469	1,263
Travel	-	-	-	10,575	10,482	93
Operating services	14,733	15,766	(1,033)	76,713	76,742	(29)
Operating supplies	-	-	-	17,398	18,614	(1,216)
Other costs	-	-	-	2,335	2,335	-
<u>CAPITAL OUTLAY</u>	9,580	9,580	-	2,100	2,101	(1)
<u>MEALS</u>	-	-	-	77,093	74,242	2,851
Total expenditures	\$ 24,313	\$ 25,346	\$(1,033)	\$ 386,474	\$ 383,256	\$ 3,218
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	\$ 15,699	\$ 14,715	\$ (984)	\$ (10,410)	\$ 4,518	\$ 14,928
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	\$ -	\$ 6,090	\$ 6,090	\$ 69,837	\$ 66,135	\$ (3,702)
Operating transfers out	(21,779)	(21,779)	-	(48,058)	(50,446)	(2,388)
Total other sources (uses)	\$(21,779)	\$(15,689)	\$ 6,090	\$ 21,779	\$ 15,689	\$ (6,090)
<u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDI- TURES AND OTHER (USES)</u>	\$ (6,080)	\$ (974)	\$ 5,106	\$ 11,369	\$ 20,207	\$ 8,838
<u>FUND BALANCE</u>						
Beginning of year	\$ 11,510	\$ 11,510	\$ -	\$ 7,664	\$ 7,664	\$ -
Adjustments	-	-	-	(510)	(510)	-
End of year	\$ 5,430	\$ 10,536	\$ 5,106	\$ 18,523	\$ 27,361	\$ 8,838

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 representative parishes. Charters are issued by the Louisiana Secretary of state upon approval by the Governor's Office of Elderly Affairs. The Sabine Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. 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 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 statements as a separate special-purpose government.

The primary function of the Sabine Council on Aging, Inc. 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 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 11 voluntary members who serve three years terms, governs the Council.

B. Presentation of Statements:

In April of 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

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

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.

C. 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, equity, revenues, and expenditures, or expenses, as appropriate. 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).

The governmental funds and programs comprising them as presented in the financial statements are 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.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

Special Revenue Funds - The 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-C Area Agency Administration Fund

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

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.

Title III C-1 Fund

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

Title III C-2 Fund

Title III C-2 fund is used to account for funds which are used to provide nutritional home delivered meals to home-bound older persons.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

Title III-B Supportive Services Fund

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

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 "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.

Title III-D In-Home Services Fund

The Title III-D In-Home Services 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.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

Energy Assistance Fund

The Energy Assistance Fund is used to account for the administration of a program that is sponsored by local utility companies. The companies collect contributions from service customers and remits these funds to the LACOA. The LACOA in turn "passes through" these funds to the council to provide utility assistance to the elderly.

Audit Fund

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

U.S.D.A. Fund

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

Medicaid Fund

The Medicaid Fund is funded under an agreement with the Louisiana Department of Health and Hospitals. The Elderly Waiver Program provides for case management and home care for the elderly. The Council is also paid for transportation services and Medicaid applications by the Department of Health and Hospitals.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

Miscellaneous Grant Fund

Funded by the Governor's Office of Elderly Affairs, this special purpose grant was made to fund additional program expenses relative to Senior Center operations.

Title III-F Fund

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

D. 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 account group is not a "fund".

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

General Fixed Assets

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

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental 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 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 available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

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 accounted for through the various due from and due to accounts. Short-term interfund loans are classified as interfund receivables or payables.

G. Budget Policy:

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

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

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

2. 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.
3. The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
4. The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.
5. All budgetary appropriations lapse at the end of each fiscal year (June 30).
6. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
7. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
8. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
9. 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.
10. Expenditures cannot legally exceed appropriations on an individual fund level.

H. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

since their inclusion would make the statements unduly complex and difficult to read. Total columns on the combined financial statements 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.

I. Fixed Assets, Including Property Leased Under Capital Leases:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at 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.

All fixed assets are stated at historical cost. No depreciation has been provided on general fixed assets.

The Council has classified its fixed assets as follows:

	<u>Balance</u> <u>06/30/99</u>
Automotive equipment	\$129,401
Furniture and equipment	70,233
Building	<u>25,164</u>
Total	\$224,798 =====

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

L. 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.

M. 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.

N. Prepaid Expenses:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

O. Management's Use of Estimates:

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

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

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.

Public Support and Miscellaneous Revenues

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. 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 IN BANK

At June 30, 1999, the carrying amount of the Council's deposits was as follows:

Payroll - checking	\$ 3,189
Operating - checking	<u>21,571</u>
Cash on deposit in banks	\$24,760
	=====

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

The related bank balance (collected deposits) at that date was \$43,924. All the deposits were covered by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 1999, consists of the following special revenue programs

<u>Program</u>	<u>Funding Agency</u>	<u>Amount</u>
USDA Medicaid	GOEA Department of Health & Hospitals	\$1,585 <u>3,837</u>
		<u>\$5,422</u>

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets.

	<u>Balance</u> <u>06/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/99</u>
Furniture & Equipment	\$ 39,801	\$ 96,146	\$ 88,707	\$ 47,240
Building	25,164	-	-	25,164
Automotive Equipment	<u>107,686</u>	<u>44,708</u>	<u>-</u>	<u>152,394</u>
Total General Fixed Assets	<u>\$172,651</u>	<u>\$140,854</u>	<u>\$ 88,707</u>	<u>\$224,798</u>

These additions reflect increases resulting from a physical inventory of all assets acquired prior to June 30, 1999, including assets acquired in prior fiscal years.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
Many, Louisiana
June 30, 1999
(Continued)

NOTE 6. BOARD OF DIRECTORS' COMPENSATION

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

NOTE 7. 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 8. JUDGMENTS, 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.

The Council receives revenue 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 grantor 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 9. FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.
 Many, Louisiana
 June 30, 1999
 (Continued)

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. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 1998:

Transferred in Funds Transferred out

	<u>Medicaid</u>	<u>Act 735</u>	<u>USDA</u>	<u>Misc. Grant</u>	<u>Senior Center</u>	<u>Total</u>
Local	\$6,090	\$ -	\$ -	\$ -	\$ -	\$ 6,090
Area Agency Admin	165	445	-	-	-	610
III-B Services	1,217	-	-	1,125	20,404	22,746
C-1	1	1,800	4,209	-	-	6,010
C-2	-	16,873	7,556	3,375	5,792	33,596
III-F	-	1,203	-	-	-	1,203
III-D	512	256	-	-	-	768
Ombudsman	-	1,202	-	-	-	1,202
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total	<u>\$7,985</u>	<u>\$21,779</u>	<u>\$11,765</u>	<u>\$4,500</u>	<u>\$26,196</u>	<u>\$72,225</u>

COMBINING STATEMENT OF PROGRAM REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

GENERAL FUND

Sabine Council on Aging, Inc.
Many, Louisiana
Year Ended June 30, 1999

	<u>LOCAL</u>	<u>ACT 735</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ -	\$ 21,779	\$ 21,779
Public Support:			
Contracted Services	-	-	-
General Public	<u>18,282</u>	<u>-</u>	<u>18,282</u>
Total revenue	<u>\$18,282</u>	<u>\$ 21,779</u>	<u>\$ 40,061</u>
<u>EXPENDITURES</u>			
<u>CURRENT</u>			
Salaries	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-
Travel	-	-	-
Operating services	15,766	-	15,766
Operating supplies	-	-	-
Other costs	-	-	-
<u>CAPITAL OUTLAY</u>	<u>9,580</u>	<u>-</u>	<u>9,580</u>
Total Administration And Capital Outlay Expenditures	<u>\$25,346</u>	<u>\$ -</u>	<u>\$ 25,346</u>
<u>MEALS PROGRAMS</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL EXPENDITURES</u>	<u>\$25,346</u>	<u>\$ -</u>	<u>\$ 25,346</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$(7,064)</u>	<u>\$ 21,779</u>	<u>\$ 14,715</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
operating transfers in	\$ 6,090	\$ -	\$ 6,090
operating transfers out	-	(21,779)	(21,779)
Total other sources (uses)	<u>\$ 6,090</u>	<u>\$(21,779)</u>	<u>\$(15,689)</u>
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>\$ (974)</u>	<u>\$ -</u>	<u>\$ (974)</u>
<u>FUND BALANCES</u>			
Beginning of year	<u>\$11,510</u>	<u>\$ -</u>	<u>\$ 11,510</u>
End of year	<u>\$10,536</u>	<u>\$ -</u>	<u>\$ 10,536</u>

<u>TITLE III-D IN-HOME SERVICES</u>	<u>ENERGY ASSISTANCE</u>	<u>AUDIT</u>	<u>USDA</u>	<u>MEDICAID PROGRAMS</u>	<u>MISC. GRANT</u>	<u>TITLE III-F</u>	<u>TOTALS</u>
\$ 2,086	\$ -	\$1,359	\$ 17,137	\$ -	\$ 4,500	\$ 3,325	\$259,947
-	-	-	-	94,668	-	-	94,668
6,882	3,111	-	-	-	-	-	33,159
<u>\$ 8,968</u>	<u>\$3,111</u>	<u>\$1,359</u>	<u>\$ 17,137</u>	<u>\$94,668</u>	<u>\$ 4,500</u>	<u>\$ 3,325</u>	<u>\$387,774</u>
\$ 584	\$ -	\$ -	\$ -	\$59,599	\$ -	\$ 3,240	\$177,271
115	-	-	-	5,307	-	328	21,469
130	-	-	-	1,709	-	18	10,482
8,754	721	1,359	-	5,972	-	385	76,742
73	-	-	-	1,205	-	11	18,614
37	-	-	-	207	-	529	2,335
43	-	-	-	239	-	17	2,101
<u>\$ 9,736</u>	<u>\$ 721</u>	<u>\$1,359</u>	<u>\$ -</u>	<u>\$74,238</u>	<u>\$ -</u>	<u>\$ 4,528</u>	<u>\$309,014</u>
-	-	-	-	-	-	-	74,242
<u>\$ 9,736</u>	<u>\$ 721</u>	<u>\$1,359</u>	<u>\$ -</u>	<u>\$74,238</u>	<u>\$ -</u>	<u>\$ 4,528</u>	<u>\$383,256</u>
<u>\$ (768)</u>	<u>\$2,390</u>	<u>\$ -</u>	<u>\$ 17,137</u>	<u>\$20,430</u>	<u>\$ 4,500</u>	<u>\$ (1,203)</u>	<u>\$ 4,518</u>
\$ 768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,203	\$ 66,135
-	-	-	(11,765)	(7,985)	(4,500)	-	(50,446)
<u>768</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,765)</u>	<u>\$ (7,985)</u>	<u>\$ (4,500)</u>	<u>\$ 1,203</u>	<u>\$ 15,689</u>
<u>\$ -</u>	<u>\$2,390</u>	<u>\$ -</u>	<u>\$ 5,372</u>	<u>\$12,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,207</u>
\$ 510	\$ 789	\$ -	\$ -	\$ 6,365	\$ -	\$ -	\$ 7,664
(510)	-	-	-	-	-	-	(510)
<u>\$ -</u>	<u>\$3,179</u>	<u>\$ -</u>	<u>\$ 5,372</u>	<u>\$18,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,361</u>

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Sabine Council on Aging, Inc.
 Many, Louisiana
 Year Ended June 30, 1999

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL FUND</u>			
Operating Services	\$ 14,733	\$ 15,766	\$ (1,033)
Capital Outlay	<u>9,580</u>	<u>9,580</u>	<u>-</u>
Total	\$ 24,313 =====	\$ 25,346 =====	\$ (1,033) =====
<u>State of Louisiana - Act 735</u>			
Transfers			
Ombudsman	\$ 1,230	\$ 1,202	\$ 28
III-F	1,219	1,203	16
IIIC-1	1,309	1,800	(491)
IIIC-2	17,196	16,873	323
Area Agency Administration	556	445	111
III-D	<u>269</u>	<u>256</u>	<u>13</u>
Total	\$ 21,779 =====	\$ 21,779 =====	\$ - =====
<u>TITLE III-C ADMINISTRATION</u>			
Salaries	\$ 6,564	\$ 6,673	\$ (109)
Fringe	982	948	34
Travel	534	513	21
Operating services	9,772	9,772	-
Operating supplies	580	580	-
Other costs	402	402	-
Capital outlay	<u>463</u>	<u>463</u>	<u>-</u>
Total	\$ 19,297 =====	\$ 19,351 =====	\$ (54) =====
<u>TITLE III-B OMBUDSMAN</u>			
Salaries	\$ 5,817	\$ 5,817	\$ -
Fringe	562	511	51
Travel	307	330	(23)
Operating services	538	538	-
Operating supplies	30	30	-
Other costs	21	21	-
Capital outlay	<u>24</u>	<u>24</u>	<u>-</u>
Total	\$ 7,299 =====	\$ 7,271 =====	\$ 28 =====
<u>SENIOR CENTER</u>			
Transfers			
IIIB Services	\$ 20,464	\$ 20,404	\$ 60
IIIC-1	<u>5,792</u>	<u>5,792</u>	<u>-</u>
Total	\$ 26,256 =====	\$ 26,196 =====	\$ 60 =====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Sabine Council on Aging, Inc.
Many, Louisiana
Year Ended June 30, 1999

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TITLE IIIC-1 Congregate meals</u>			
Salaries	\$ 25,736	\$ 25,748	\$ (12)
Fringe	3,254	3,086	168
Travel	694	677	17
Operating services	7,941	7,941	-
Operating supplies	471	471	-
Meals	38,208	36,777	1,431
Other costs	325	325	-
Capital outlay	<u>375</u>	<u>375</u>	<u>-</u>
Total	\$ 77,004 =====	\$ 75,400 =====	\$ 1,604 =====
<u>TITLE IIIC-2 Home Delivered</u>			
Salaries	\$ 26,023	\$ 25,403	\$ 620
Fringe	2,948	2,723	225
Travel	1,867	1,790	77
Operating services	11,363	11,363	-
Operating supplies	3,255	3,255	-
Meals	38,885	37,465	1,420
Other costs	291	291	-
Capital outlay	<u>336</u>	<u>336</u>	<u>-</u>
Total	\$ 84,968 =====	\$ 82,626 =====	\$ 2,342 =====
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Salaries	\$ 49,909	\$ 50,207	\$ (298)
Fringe	8,788	8,451	337
Travel	5,289	5,315	(26)
Operating services	29,412	29,937	(525)
Operating supplies	12,989	12,989	-
Other costs	523	523	-
Capital outlay	<u>604</u>	<u>604</u>	<u>-</u>
Total	\$ 107,514 =====	\$ 108,026 =====	\$ (512) =====
<u>TITLE III-D IN-HOME SERVICES</u>			
Salaries	\$ 584	\$ 584	\$ -
Fringe	119	115	4
Travel	132	130	2
Operating services	8,754	8,754	-
Operating supplies	73	73	-
Other costs	37	37	-
Capital outlay	<u>42</u>	<u>43</u>	<u>(1)</u>
Total	\$ 9,741 =====	\$ 9,736 =====	\$ 5 =====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Sabine Council on Aging, Inc.
Many, Louisiana
Year Ended June 30, 1999

<u>AUDIT ALLOTMENT</u>			
Operating services	\$ 1,359	\$ 1,359	\$ -
Total	\$ 1,359	\$ 1,359	\$ -
=====			
<u>USDA</u>			
Transfers to Title III C-1	\$ 3,041	\$ 4,209	\$ (1,168)
Transfers to Title III C-2	9,606	7,556	2,050
Total	\$ 12,647	\$ 11,765	\$ 882
=====			
<u>MEDICAID PROGRAMS</u>			
Salaries	\$ 59,656	\$ 59,599	\$ 57
Fringe	5,736	5,307	429
Travel	1,733	1,709	24
Operating services	5,972	5,972	-
Operating supplies	1,205	1,205	-
Other costs	207	207	-
Capital outlay	239	239	-
Transfer - General fund	-	6,090	(6,090)
III-B services	712	1,217	(505)
III-C-2	3,375	-	3,375
III-D	568	512	56
AAA	-	165	(165)
Total	\$ 79,403	\$ 82,222	\$ (2,819)
=====			
<u>TITLE III-F</u>			
Salaries	\$ 3,239	\$ 3,240	\$ (1)
Fringe	343	328	15
Travel	19	18	1
Operating services	386	385	1
Operating supplies	11	11	-
Other costs	529	529	-
Capital outlay	17	17	-
Total	\$ 4,544	\$ 4,528	\$ 16
=====			
<u>ENERGY ASSISTANCE</u>			
Operating supplies	\$ -	\$ 721	\$ (721)
Total	\$ -	\$ 721	\$ (721)
=====			
<u>MISC. GRANT</u>			
Transfer - III-B Services	\$ 1,125	\$ 1,125	\$ -
III-C-1	3,375	-	(3,375)
III-C-2	-	3,375	3,375
Total	\$ 4,500	\$ 4,500	\$ -
=====			

SCHEDULE OF PRIORITY SERVICES
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES

Sabine Council on Aging, Inc.
 Many, Louisiana
 Year Ended June 30, 1999

				%GOEA GRANT
ACCESS (30%)	Assisted Transportation	\$ -		
	Case Management	3,595		
	Transportation	48,917		
	Information & Assistance	241		
	Outreach	<u>4,811</u>		
	Total Access Expenses		\$ <u>57,564</u>	71.5%
IN-HOME (15%)	Homemaker	\$ 44,550		
	Chore	-		
	Telephoning	-		
	Visiting	-		
	Adult/Daycare/Health	-		
	Personal Care	<u>-</u>		
	Total In-Home Expenses		\$ <u>44,550</u>	55.4%
LEGAL (5%)	Legal Assistance		\$ <u>2,900</u>	3.6%
NON PRIORITY SERVICES			\$ <u>3,012</u>	
TOTAL III B-SUPPORTIVE SERVICE EXPENDITURES			\$ 108,026	
	Less: Participant Contributions		(4,820)	
	Public Support		-	
	Transfers In		<u>(22,746)</u>	
III B SUPPORTIVE SERVICES GRANT			\$ 80,460	
	Less: State Homemaker and State Transportation		(32,220)	
Original Grant Amount			\$ <u>48,240</u> =====	

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS

Sabine Council on Aging, Inc.
 Many, Louisiana
 Fiscal Year Ended June 30, 1999
 (with Comparative Totals)

	Balance June 30, 1997	Additions	June 30, Deletions	Balance 1998
General fixed assets at cost:				
Vans	\$107,686	\$ 44,708	\$ -	\$152,394
Furniture and equipment	39,801	96,146	88,707	47,240
Building	<u>25,164</u>	<u>-</u>	<u>-</u>	<u>25,164</u>
Total general fixed Assets	<u>\$172,651</u>	<u>\$140,854</u>	<u>\$88,707</u>	<u>\$224,798</u>
Investment in general fixed assets:				
Property acquired from:				
Medicaid Programs	\$ 1,065	\$ -	\$ 1,065	\$ -
Title III B Ombudsman	107	122	-	229
Title III F	63	165	-	228
Title III C-1	3,571	1,615	-	5,186
Title III C-2	4,981	-	1,097	3,884
Senior Center	23,037	-	20,113	2,924
PCOA (Act 735)	19,438	-	16,925	2,513
General Funds	36,544	-	14,243	22,301
Title III G	929	-	529	400
Title III B Supportive	50,493	-	34,735	15,758
Donations	19,250	400	-	19,650
All funds	11,138	4,160	-	15,298
Title III C Admin.	1,841	3,414	-	5,255
Title III D	194	263	-	457
Misc. Grants	<u>-</u>	<u>130,715</u>	<u>-</u>	<u>130,715</u>
Total investment in General fixed asset	<u>\$172,651</u>	<u>\$ 140,854</u>	<u>\$88,707</u>	<u>\$224,798</u>

STATEMENT OF FINDINGS AND QUESTIONED COSTS

Sabine Council on Aging, Inc.
 Many, Louisiana
 Year Ended June 30, 1999

SECTION I - SUMMARY OF AUDITOR'S REPORTS

Financial Statements:

Type of Auditor's Report Issued	Unqualified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None Reported
Non-Compliance Material to Financial Statements Noted	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None Reported

Type of Auditor's Report Issued on Compliance for Major Programs	Unqualified
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Any Audit Findings Disclosed that are Required to be Reported in Accordance with Circular A-133, Section .510(a)	No
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Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.044	Special Programs-Elderly III B
93.045	Special Programs-Elderly III C

Dollar Threshold to Distinguish Between Type A and Type B Programs	50 %
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Auditee Qualified as Low-Risk Auditee?	Yes
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SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

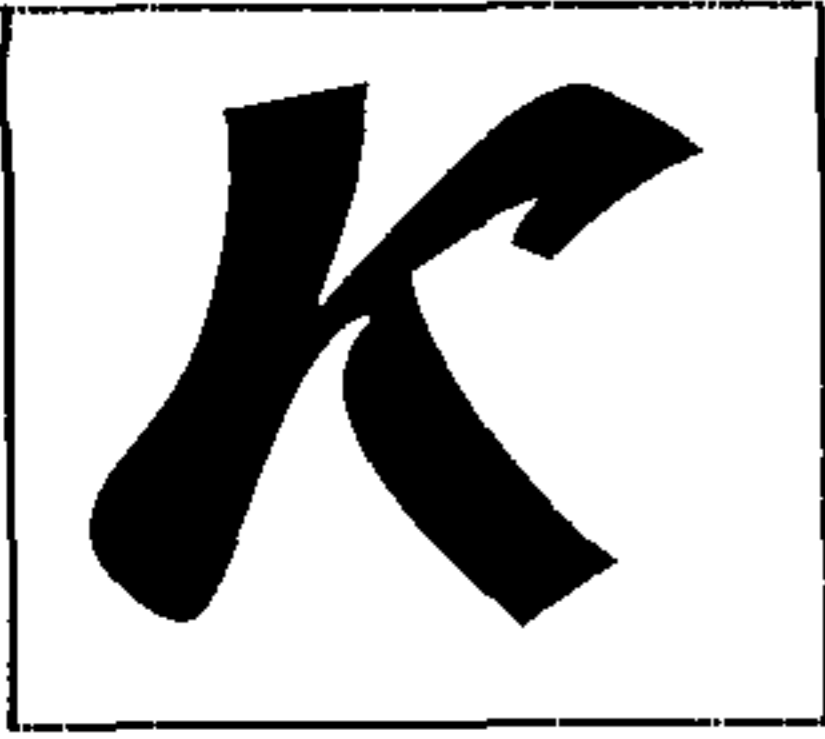
SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SECTION IV - STATE FINDINGS

The Council was not in compliance with the audit requirements that reports be submitted within six months of year end.	Yes
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SINGLE AUDIT SECTION



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

January 26, 2000

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Sabine Council on Aging, Inc.
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Council on Aging, Inc., as of and for the year ended June 30, 1999, and have issued my report thereon dated January 26, 2000. I conducted my 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.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

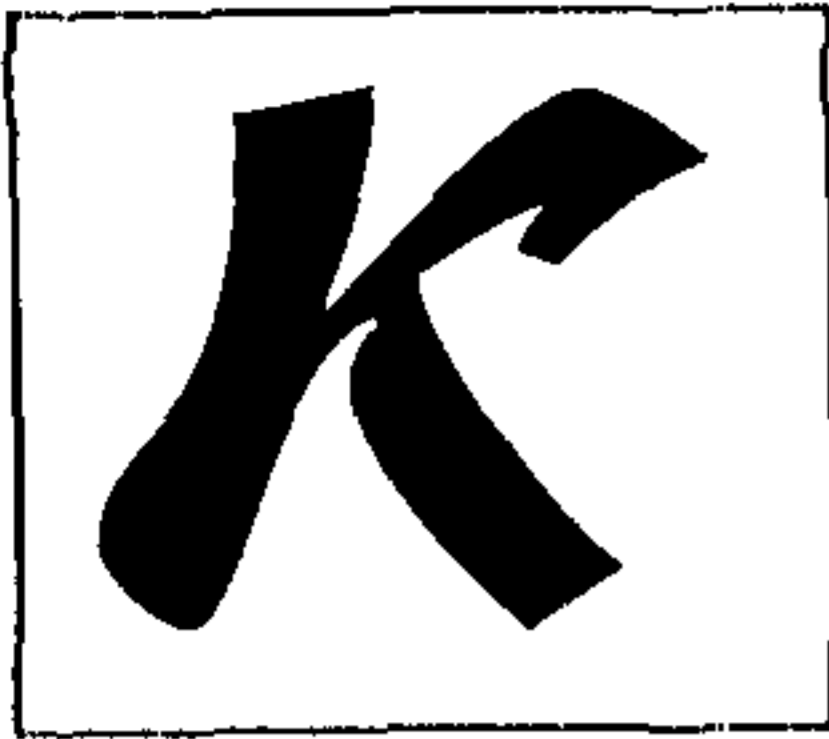
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Council's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar
Certified Public Accountant



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

January 26, 2000

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Sabine Council on Aging, Inc.
Many, Louisiana

I have audited the compliance of the Sabine Council on Aging, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1999. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the Council's management. My responsibility is to express an opinion on the Sabine Council on Aging, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Sabine Council on Aging, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Sabine Council on Aging, Inc.'s compliance with those requirements.

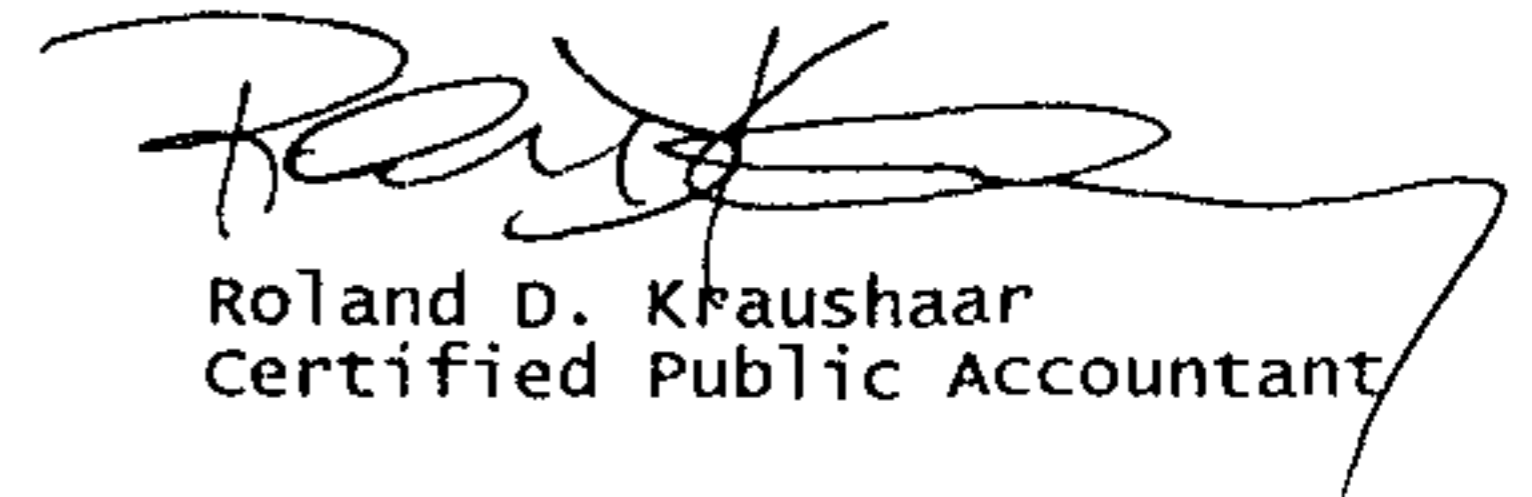
In my opinion, the Sabine Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

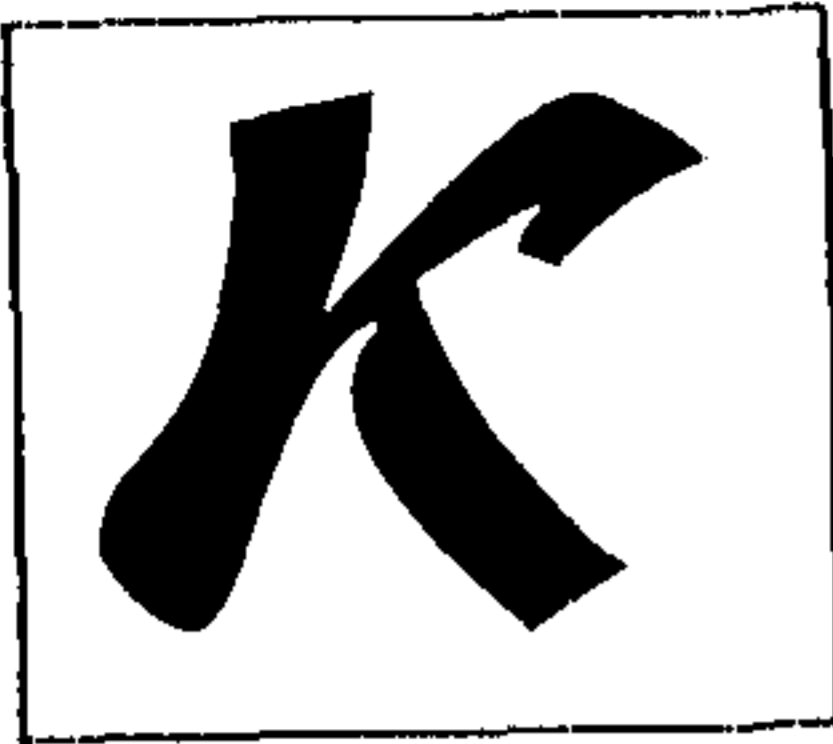
The management of the Sabine Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar
Certified Public Accountant



Roland D. Kraushaar

Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

January 26, 2000

INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS

Board of Directors
Sabine Council on Aging, Inc.
Many, Louisiana

I have audited the general purpose financial statements of the Sabine Council on Aging, Inc., as of and for the year ended June 30, 1999, and have issued my report thereon dated January 26, 2000. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I 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. I believe that my audit provides a reasonable basis for my opinion.

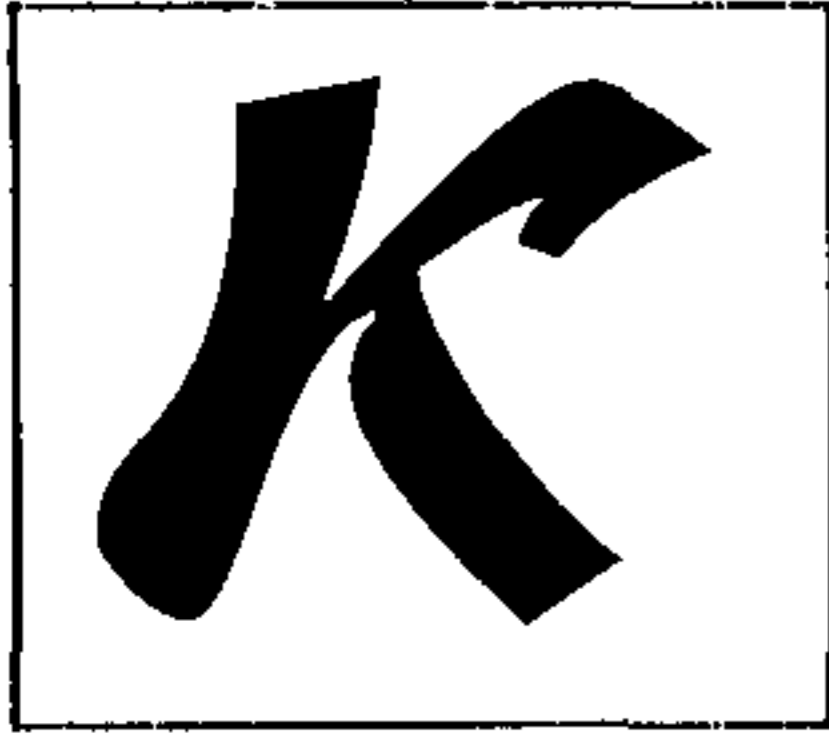
My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Sabine Council on Aging, Inc., taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the 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 my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Roland D. Kraushaar
Certified Public Accountant

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Sabine Council on Aging, Inc.
Many, Louisiana
Year Ended June 30, 1999

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/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 Louisiana Governor's Office of Elderly Affairs				
Special Programs for the Elderly:				
Title III-B Grant For Supportive Services & Senior Centers	93.044	\$ 48,240	\$ 48,240	\$ 48,240
Title III-B (Ombudsman)	93.044	4,339	4,339	4,339
Subtotal - CFDA #93.044		<u>52,579</u>	<u>52,579</u>	<u>52,579</u>
Title III Part C-Area Agency Admin	93.045	14,056	14,056	14,056
Title III Part C-1 Nutrition Congregate Meals	93.045	48,338	48,338	48,338
Title III Part C-2 Nutrition Home Delivered Meals	93.045	25,326	25,326	25,326
Subtotal - CFDA #93.045		<u>87,720</u>	<u>87,720</u>	<u>87,720</u>
Title III Part D In-Home Services For Frail Older Individuals	93.046	1,773	1,773	1,773
Title III Part F Disease Prevention And Health Promotion	93.043	2,826	2,826	2,826
Totals for U.S. Department of Health & Human Services		<u>\$ 144,898</u>	<u>\$ 144,898</u>	<u>\$ 144,898</u>
<u>Department of Agriculture</u> Passed Through the Governor's Office Of Elderly Affairs				
Nutrition Programs For the Elderly	10.570	25,000	17,137	11,765
Total Federal Grants		<u>\$ 169,898</u>	<u>\$ 162,035</u>	<u>\$ 156,663</u>



Roland D. Kraushaar

Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

February 23, 2000

Ms. Chelette Jarrett
Legislative Auditor's Office
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Sabine Council on Aging, Inc.

Dear Ms. Jarrett:

The finding of non-compliance with RS 24:513 requiring issuance of the report within six months of the fiscal year-end was disclosed in my report dated January 26, 2000. Please refer to page 27 of that report (a copy of that page is attached).

While the fieldwork necessary to issue the report was completed prior to December 31, 1999, the report was not issued by my office until January 26, 2000 because of the following reasons:

1. Year-end reports submitted by the Council to the Governor's Office of Elderly Affairs were prepared on the cash basis and did not necessarily reflect the inter-fund transfers needed to maximize the grant monies paid to the Council. Additional fieldwork was performed in order to reconcile the final reports and prepare the required adjustments.
2. The computerized accounting software utilized by the Council was malfunctioning and creating problems with current financial reporting needs. It was not Y2K compliant and time was spent selecting new software and hardware to replace the old system so that current funding would not be withheld.
3. Staffing, clerical and scheduling problems within my office further delayed the issuance of the report.

Corrective actions taken by the Council include the following:

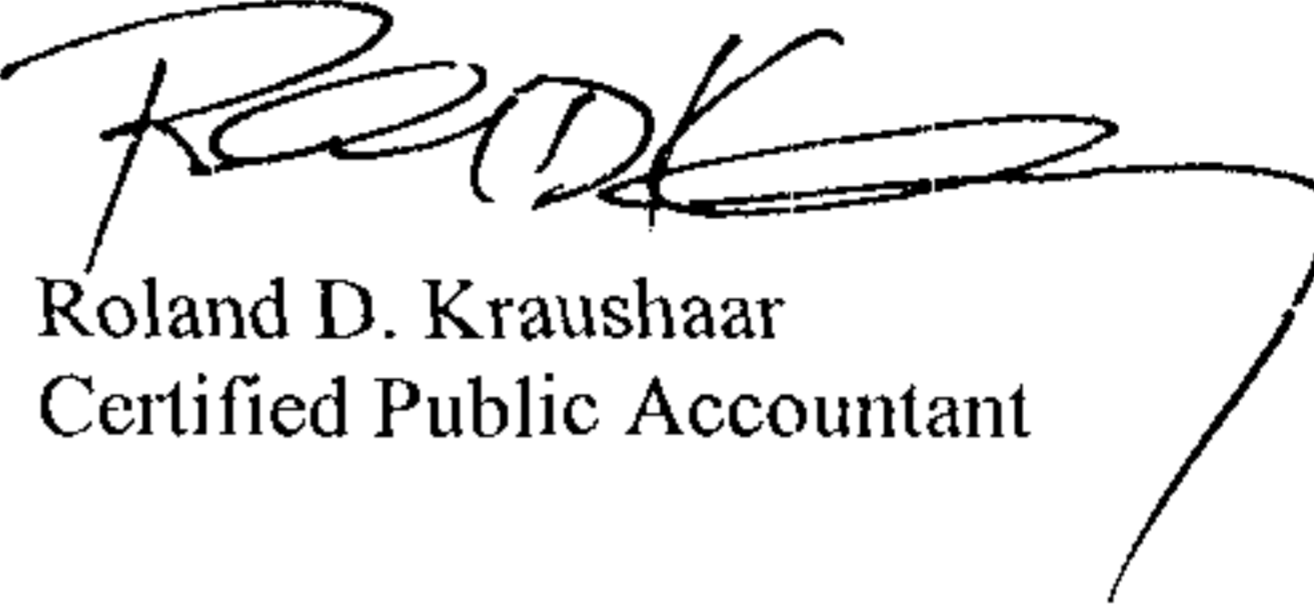
1. Selection of new software and hardware. The Council has recently acquired new computer hardware and software that will provide a vastly improved

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accounting product and leave an audit trail that should require few adjustments to be made after year-end.

2. Future audits will be scheduled closer to year-end so that problems may be resolved in a more timely fashion.
3. Problems within my own office are being addressed to prevent scheduling conflicts which contributed to the late issuance of this report.

Respectfully,

A handwritten signature in black ink, appearing to read 'RDK', with a long, sweeping flourish extending to the right.

Roland D. Kraushaar
Certified Public Accountant