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### Financial Report

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

June 30, 1999

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

Release Date DEC 29 1999

TABLE OF CONTENTS

Financial Report

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

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1.	INDEPENDENT AUDITOR'S REPORT . . . . .	1
2.	REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS . . . . .	3
3.	GENERAL PURPOSE FINANCIAL STATEMENTS:	
	◆ Combined Balance Sheet - All Fund Types and Account Group . . . . .	5
	◆ Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types . . . . .	6
	◆ Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund Type . . . . .	7
	◆ Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual - Special Revenue Fund Type . . . . .	8
	◆ Notes to Financial Statements . . . . .	9
4.	SUPPLEMENTARY FINANCIAL INFORMATION:	
	◆ Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund . . . . .	34
	◆ Schedule 2 - Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balances - Special Revenue Funds . . . . .	35
	◆ Schedule 3 - Schedule of Program Expenditures - Budget vs. Actual - Contracts and Grants Provided Through the Governor's Office of Elderly Affairs . . . . .	36
	◆ Schedule 4 - Schedule of Priority Services - Title III, Part B - Contract for Supportive Services . . . . .	39
	◆ Schedule 5 - Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets . . . . .	40

◆	Schedule 6 - Disclosure About the Year 2000 Issue .	41
5.	SCHEDULE OF FINDINGS AND QUESTIONED COSTS . . . . .	43
6.	SCHEDULE OF PRIOR AUDIT FINDINGS . . . . .	44
7.	MANAGEMENT LETTER . . . . .	45
8.	MANAGEMENT'S CORRECTIVE ACTION PLAN . . . . .	48

# NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4  
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE  
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE  
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana.

I have audited the accompanying general purpose financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana, as of and for the year ended June 30, 1999, as listed in the 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 and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 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 St. John Parish Council on Aging, Inc., LaPlace, Louisiana, as of June 30, 1999, and the results of its 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 November 11, 1999, on my consideration of the St. John Parish Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the general purpose financial statements. The information in Schedules 1 through 5 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. The disclosure about the Year 2000 issue in Schedule 6 of the supplementary information is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information in Schedule 6. However, I did not audit the information and express no opinion on it. In addition, I do not provide assurance that the St. John Parish Council on Aging, Inc. is or will become year 2000 compliant, that the St. John Parish Council on Aging, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which St. John Parish Council on Aging, Inc. does business are or will become year 2000 compliant.

*Neil B. Fenari, CPA*

Baton Rouge, Louisiana,  
November 11, 1999.

# NEIL G. FERRARI

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## 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,  
St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana.

I have audited the general purpose financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated November 11, 1999. 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 St. John Parish Council on Aging, Inc.'s general purpose 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 St. John Parish Council on Aging, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose 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 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to the board of directors of the St. John Parish Council on Aging, Inc. in a separate letter dated November 11, 1999.

This report is intended solely for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Neil A. Ferrari, CPA*

Baton Rouge, Louisiana,  
November 11, 1999.

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

June 30, 1999

With Comparative Totals for the Year Ended June 30, 1998

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	1999	1998
<b>ASSETS AND OTHER DEBITS</b>					
Assets:					
Cash and investments	\$ 92,128	\$ 18,573	\$ 0	\$ 110,701	\$ 8,180
Property taxes receivable	0	0	0	0	85,832
Government grants receivable	0	2,055	0	2,055	4,125
Accounts receivable	6,616	0	0	6,616	10,824
Contributions receivable	0	0	0	0	1,585
Prepaid expenses	1,345	0	0	1,345	3,995
Due from General Fund	0	0	0	0	30,580
Due from Special Revenue Fund	2,055	0	0	2,055	0
Deposit for workman's compensation insurance	892	0	0	892	892
Restricted assets:					
Cash	721	1,719	0	2,440	1,563
Fixed assets	0	0	233,580	233,580	234,389
<b>Total assets</b>	<b>\$ 103,757</b>	<b>\$ 22,347</b>	<b>\$ 233,580</b>	<b>\$ 359,684</b>	<b>\$ 381,965</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>					
Liabilities:					
Accounts payable	\$ 4,558	\$ 18,106	\$ 0	\$ 22,664	\$ 48,180
Payable to GOEA	0	467	0	467	0
Payroll taxes payable	2,853	0	0	2,853	2,799
Due to Special Revenue Fund	0	0	0	0	30,580
Due to General Fund	0	2,055	0	2,055	0
<b>Total liabilities</b>	<b>7,411</b>	<b>20,628</b>	<b>0</b>	<b>28,039</b>	<b>81,559</b>
Fund Equity and Other Credits:					
Fund balances:					
Reserved for:					
Utility assistance	0	1,719	0	1,719	1,089
Prepaid insurance	1,345	0	0	1,345	3,995
Police alert lights for the elderly	721	0	0	721	474
Unreserved - undesignated	94,280	0	0	94,280	60,459
Investment in general fixed assets	0	0	233,580	233,580	234,389
<b>Total fund equity and other credits</b>	<b>96,346</b>	<b>1,719</b>	<b>233,580</b>	<b>331,645</b>	<b>300,406</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 103,757</b>	<b>\$ 22,347</b>	<b>\$ 233,580</b>	<b>\$ 359,684</b>	<b>\$ 381,965</b>

The accompanying notes are an integral part of this statement.



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

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

**With Comparative Totals for the Year Ended June 30, 1998**

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
<b>REVENUES</b>				
Property tax	\$ 166,461	\$ 0	\$ 166,461	\$ 170,275
Intergovernmental	21,779	209,308	231,087	207,828
Program service fees	66,113	0	66,113	70,324
Public support	3,787	31,724	35,511	40,309
Interest income	3,207	0	3,207	4,108
Miscellaneous	152	0	152	1,087
<b>Total revenues</b>	<b>261,499</b>	<b>241,032</b>	<b>502,531</b>	<b>493,931</b>
<b>EXPENDITURES</b>				
Current:				
Personnel	23,727	122,765	146,492	145,137
Fringe	2,534	12,940	15,474	11,715
Travel	197	5,955	6,152	7,947
Operating services	23,619	77,147	100,766	111,317
Operating supplies	5,971	17,205	23,176	25,046
Other costs	2,703	11,997	14,700	4,875
Meals	0	119,507	119,507	109,174
Capital outlay	9,738	31,553	41,291	35,923
Utility assistance	0	2,925	2,925	4,891
<b>Total expenditures</b>	<b>68,489</b>	<b>401,994</b>	<b>470,483</b>	<b>456,025</b>
Excess of revenues over (under) expenditures	193,010	(160,962)	32,048	37,906
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	196,898	196,898	181,941
Operating transfers out	(161,592)	(35,306)	(196,898)	(181,941)
Excess of revenues and other sources over (under) expenditures and other uses	31,418	630	32,048	37,906
<b>FUND BALANCES</b>				
Beginning of year	64,928	1,089	66,017	28,111
End of year	\$ 96,346	\$ 1,719	\$ 98,065	\$ 66,017

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Property Tax	\$ 160,000	\$ 166,461	\$ 6,461
Intergovernmental	21,779	21,779	0
Program service fees	57,328	66,113	8,785
Public support	2,350	3,787	1,437
Interest income	3,500	3,207	(293)
Miscellaneous	0	152	152
<b>Total revenues</b>	<b>244,957</b>	<b>261,499</b>	<b>16,542</b>
<b>EXPENDITURES</b>			
Current:			
Personnel	24,746	23,727	1,019
Fringe	2,673	2,534	139
Travel	97	197	(100)
Operating services	26,648	23,619	3,029
Operating supplies	3,257	5,971	(2,714)
Other costs	619	2,703	(2,084)
Capital outlay	12,000	9,738	2,262
<b>Total expenditures</b>	<b>70,040</b>	<b>68,489</b>	<b>1,551</b>
<b>Excess of revenues over(under) expenditures</b>	<b>174,917</b>	<b>193,010</b>	<b>18,093</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	0	0	0
Operating transfers out	(169,067)	(161,592)	7,475
<b>Excess of revenues and other sources over(under) expenditures and other uses</b>	<b>5,850</b>	<b>31,418</b>	<b>\$ 25,568</b>
<b>FUND BALANCE</b>			
Beginning of year	64,928	64,928	
<b>End of year</b>	<b>\$ 70,778</b>	<b>\$ 96,346</b>	

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental	\$ 209,822	\$ 209,308	\$ (514)
Public support	31,906	31,724	(182)
<b>Total revenues</b>	<b>241,728</b>	<b>241,032</b>	<b>(696)</b>
<b>EXPENDITURES</b>			
Current:			
Personnel	123,055	122,765	290
Fringe	13,045	12,940	105
Travel	5,752	5,955	(203)
Operating services	87,120	77,147	9,973
Operating supplies	14,943	17,205	(2,262)
Other costs	11,825	11,997	(172)
Meals	120,000	119,507	493
Capital outlay	30,755	31,553	(798)
Utility assistance	4,300	2,925	1,375
<b>Total expenditures</b>	<b>410,795</b>	<b>401,994</b>	<b>8,801</b>
<i>Excess of revenues over (under) expenditures</i>	<i>(169,067)</i>	<i>(160,962)</i>	<i>8,105</i>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	204,495	196,898	(7,597)
Operating transfers out	(35,428)	(35,306)	122
<i>Excess of revenues and other sources over (under) expenditures and other uses</i>	<i>0</i>	<i>630</i>	<i>\$ 630</i>
<b>FUND BALANCES</b>			
Beginning of year	1,089	1,089	
End of year	<u>\$ 1,089</u>	<u>\$ 1,719</u>	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

St. John Parish Council on Aging, Inc.  
LaPlace, 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 respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The St. John Parish Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of the St. John Parish 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 assistance services, legal assistance, homemaker services, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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

Note 1 - Summary of Significant Accounting Policies - (continued)

b. Presentation of Statements: - (continued)

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 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 VIII - Annual Financial Reporting, accounting manual for the Governor's Office of Elderly Affairs Contractors; and, the Louisiana Governmental Audit Guide.

c. Fund Accounting:

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

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

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

funds are grouped in these financial statements into two generic fund types and one broad category (account group).

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

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

◆ General Fund

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

The following programs comprise the Council's General Fund:

Local

Revenues, such as; proceeds of a property tax assessment by St. John the Baptist Parish, donations from the general public, allocations from the United Way, interest income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets, are recorded in the local program of the General Fund. Most of these funds are not restricted to any special use and may be used at the Council's discretion. However, there are occasions when the Council will receive restricted donations which must be used for the purposes restricted by donor.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ General Fund - (continued)

Local - (continued)

Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

Local funds are also provided as transfers to other programs in cases where costs exceed revenues. In addition, capital outlay expenditures are usually paid for with local funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. In fiscal year 1999, the Council transferred the PCOA funds to the Title III B fund to provide additional funds to pay for program costs.

Local Transportation

The Local Transportation program of the General Fund accounts for revenues earned from providing local transportation services and the expenses incurred to produce those revenues. The transportation services provided in this program differ from those provided in the Title III B program in that participants in this program do not have to be at least 60 years old which is required of Title III B participants. In fiscal year 1999, the excess of revenues over expenditures from the local transportation program was used to provide additional funds for other programs.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ 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. A large percentage of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

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

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 supportive services, such as; information and assistance, homemaker services, outreach services, legal services, and transportation for people age 60 or older.

Title III C - Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for some of the costs of administering the Special Programs for the Aging.



Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly at senior centers in LaPlace and Edgard and at an additional meal site in Place DuBourg. During the year the Council served 24,431 meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Using Title III C-2 funds, the Council served 19,586 meals during the year to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail and elderly person who is home-bound, 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. During the year, the Council used its Title III D funds to provide Medic Alert units to 155 eligible participants.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Title III F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. 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." During the year, the Council used its Title III F funds to purchase exercise supplies and equipment for use at the Senior Centers.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 56 cents/meal) 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.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Senior Center Fund

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

Audit Fund

The Audit Fund is used to account for funds received from the Louisiana 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.

Utility Assistance Fund

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

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

◆ Special Revenue Funds - (continued)

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. St. John Parish Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs. The Council used these funds to supplement Title III B supportive services.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under various capital assistance programs. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. The Council acquired one vehicle under this program during the fiscal year.

Respite Care Fund

The Respite Care fund is used to account for funds received from Nalco Foundation that are restricted to paying for respite care costs. Respite Care is a program service designed to give the primary care-giver of a homebound elderly person a few hours of relief. The Council also uses some of its local funds to subsidize the cost of operating this program.

Note 1 - Summary of Significant Accounting Policies - (continued)

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.

General Fixed Assets

The fixed assets used in governmental fund type operations of St. John Council on the Aging are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government fund types 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, including the General and Special Revenue funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other 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, except for the following:

- (1) Principal and interest on long-term debt are recorded when due, and
- (2) Claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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.

g. Budget Policy:

The Council follows these procedures in establishing the budgetary data reflected in Exhibits C and D of these financial statements.

- ◆ The Louisiana Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.
- ◆ Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- ◆ Projections are made of property tax revenues based on past trends and data available to form expectations of future revenues.
- ◆ The Council's executive director prepares a proposed budget based on the funding levels provided by GOEA and other agencies, as well as expected revenues from property tax revenues and public support, and then submits the budget to the Board of Directors for approval.
- ◆ The Board of Directors reviews and adopts the budget before May 31 of the current year for the next fiscal year.
- ◆ The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

Note 1 - Summary of Significant Accounting Policies - (continued)

g. Budget Policy: - (continued)

- ◆ Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one budget amendment during the fiscal year, which was approved by the board of directors on March 17, 1999. The budget amendment was approved by the Council's board of directors and by GOEA using a similar procedure as the approval of the original budget.
- ◆ Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- ◆ The Council may transfer funds between line items as often as required but must obtain approval from the Governor's Office of Elderly Affairs (GOEA) for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- ◆ Expenditures cannot legally exceed appropriations on an individual fund level.

Note 1 - Summary of Significant Accounting Policies - (continued)

g. Budget Policy: - (continued)

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

h. Cash

Cash is reported at carrying amount which equals its fair value.

i. Investments:

Investments in certificates of deposit are reported at cost. However, investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

j. 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 grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

k. Fixed Assets:

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 or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.



Note 1 - Summary of Significant Accounting Policies - (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. Designations of fund balances can be changed at the discretion of the Council's board of directors. At June 30, 1999, there were not any designated funds.

n. Compensated Absences:

The Council's annual leave policy does not provide for the accumulation and vesting of annual leave. In other words, an employee must "use or lose" any earned annual leave during the fiscal year. The Council's sick leave policy allows an employee to accumulate up to 25 days over a three year period, but at termination there is no cash reimbursement for unused sick leave. As a result, the Council has not accrued any unpaid cost relating to unused leave in the financial statements.

Note 1 - Summary of Significant Accounting Policies - (continued)

o. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements 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 since their inclusion would make the statements unduly complex and difficult to read.

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 or results of operations 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.

p. Related Party Transactions:

There were not any related party transactions during the fiscal year.

q. 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.

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Public Support, Interest Income and Miscellaneous Revenues

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 are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Interest income is recorded when it becomes measurable and available in accordance with the modified accrual basis of accounting.

The Council encourages and receives contributions from clients to help offset the costs of the Title III B, C-1, and C-2 programs. Utility assistance funds are provided from public donations via utility company programs. 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- Property Tax Revenues and Receivable

During fiscal year 1995 the Council began receiving funds from a one mill property tax which was adopted by the voters of St. John the Baptist Parish. The property tax will be levied each year, beginning with calendar year 1994 and ending in calendar year 2003, by the St. John the Baptist Parish Council on November 15 based upon the assessed value (\$148,261,680, after homestead exemptions) on the previous January 1 of all real property owned within the Parish. The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most of the property tax revenues are collected during the months of December, January, and February. The St. John the Baptist Parish Council (parish council) acts as the collection agent for these taxes. At June 30, 1999, the Parish Council was holding \$4,582 of property tax revenues it had collected for the

Note 3- Property Tax Revenues and Receivable - (continued)

Council on Aging. The Council on Aging has not accrued any of this amount as revenue for fiscal year 1999 because none of this money was remitted to it within 60 days after June 30, 1999. The Parish Council's restricts the availability of this money to the Council on Aging.

The Parish Council has established a separate bank account to help it account for the collection and disbursement of the property tax revenues for the Council on Aging. The Council on Aging has no control over this bank account; accordingly, it is not presented in these financial statements.

The Parish Council did not invest any amounts for the Council on Aging during the year. However, \$734 of interest income was earned on the interest-bearing checking account in which the Parish keeps the property tax revenues.

The property taxes are collected by the Parish's sheriff's office. Accordingly, there are expenses charged the Council on Aging by the sheriff's office for doing this. The amount charged for this fiscal year was \$4,711 which represents the Council on Aging's pro rata share of the pension expense of the sheriff's office. This type of charge is normal in Louisiana. No amount for this expenditure has been presented in the Council on Aging's financial statements because property tax revenue has been reported at a "net" amount instead of at a "gross" amount.

Note 4 - Cash and Investments

At June 30, 1999, the Council's cash and investments consisted of the following:

Operating account	\$ 36,766
Payroll account	239
Certificate of deposit	<u>76,136</u>
	\$113,141 *
	=====

\* Includes \$721 restricted for the purchase of police alert lights for the elderly and \$1,719 restricted for the Utility Assistance program.

Note 4 - Cash and Investments - (continued)

One of the Council's two checking accounts serves as a consolidated bank account. The consolidated bank account services as a means for paying all of the bills and depositing most of the money collected by the Council. This account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to temporarily cover any negative cash balances in other funds. The other checking account is used for payroll.

At June 30, 1999, the carrying amounts of the Council's checking account balances on the books were \$37,005 whereas the related bank balances were \$40,588. The difference in the carrying amounts and bank balances relates to checks written which did not clear the bank accounts by June 30, 1999. Also, at year end, the Council had invested \$76,136 of funds in a certificate of deposit, which was earning interest at a rate of 3.75% per annum. The Council has elected to invest in a certificate of deposit which matures and reinvests automatically every seven days so that funds are readily assessable to meet operating needs. The certificate of deposit represents a nonparticipating interest-earning investment contract as described in GASB 31. Accordingly, it has been reported at cost in these financial statements.

All of the Council's bank accounts are at the same bank. At year end, the combined collected bank balance totaled \$116,724. Federal depository insurance covers \$100,000 of this total, thus, this amount is a "Category 1" type credit risk according to GASB Statement 3. The remaining \$16,724 are uninsured but the bank has pledged securities to cover this amount. However, these funds have been categorized as a Category 3 type credit risk because the pledged securities are held by the bank's agent and are not registered in the Council's name.

Note 4 - Cash and Investments - (continued)

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts,
8. Mutual of Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies,
9. Any other investment allowed by state statute for local governments, and
10. Louisiana Asset Management Pool (LAMP).

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

Note 5 - Government Grants Receivable

Government grants receivable represent amounts owed to the Council under the terms of a grant award or contract with a provider of federal, state, or local funds; such amount being measurable and available as of year end. Government grants receivable at June 30, 1999, consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
U.S.D.A.	GOEA	Special Revenue	\$2,055 =====

Note 6 - Accounts Receivable

Accounts receivable at June 30, 1999 for General Fund programs consisted of the following:

<u>Program</u>	<u>Amount</u>
Local transportation	\$6,616
	=====

Note 7 - Changes in Fixed Assets

A summary of changes in general fixed assets is as follows:

	<u>Balance June 30, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Vans	\$185,199	\$ 38,444	\$(18,532)	\$205,111
Office furniture and equipment	24,741	2,049	(19,676)	7,114
Recreation equipment	5,285	798	(3,349)	2,734
Leasehold improvements	<u>19,164</u>	<u>-</u>	<u>(543)</u>	<u>18,621</u>
Total general fixed assets	<u>\$234,389</u>	<u>\$ 41,291</u>	<u>\$(42,100)</u>	<u>\$233,580</u>
	=====	=====	=====	=====

Deletions are for fixed assets that were declared obsolete. No proceeds were received for any of these fixed assets.

There are no donated assets included in the June 30, 1999, total for fixed assets.

Note 8 - Prepaid Expenses

At June 30, 1999, prepaid expenses consisted of the following:

Insurance premiums	\$1,345
	=====

Note 9 - Payable to GOEA

The Council received grant revenue for the year ended June 30, 1999 that the Council reported to GOEA in error as having not been spent and will be returned to GOEA as follows:

<u>Program</u>	<u>Amount</u>
Title IIIB - Supportive Services - Legal Assistance	\$ 350
Title IIIF	<u>117</u>
	\$ 467 =====

Note 10 - Board of Directors' Compensation

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

Note 11 - In-Kind Contributions

The Council received various in-kind contributions during the year. The senior center/meal site locations in LaPlace and Edgard were furnished by the St. John the Baptist Parish Council without charge for rent or insurance. The meal site at Place Dubourg was furnished by the Archdiocese of St. John the Baptist Parish without charge for rent, insurance, and utilities. The St. John the Baptist Parish Sheriff's Department allows the Council to buy gas through it which costs less than retail and saves the Council about \$600 per month. Also, the workers who serve lunch at the LaPlace Senior Center volunteer their services. These contributions, the values of which were not objectively determined, have not been reported as revenues or offsetting expenses in these financial statements.



Note 12 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Sections 501 (c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509 (a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 13 - Judgments, Claims, and Similar Contingencies

There was one lawsuit settled during the year ended June 30, 1999. The settlement was covered by the Council's insurance policy.

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

Note 14 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with the *Government Auditing Standards*. 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 to such an extent as to materially affect the Council's financial position. Any costs that might be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 15 - 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 (GOEA). 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 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 16 - Interfund Loans

The Council uses a consolidated operating account to deposit revenue and pay expenditures. Using a consolidated bank account creates short-term interfund loans. A summary of these interfund loans at June 30, 1999, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 2,055	\$ -
Special Revenue Funds-USDA	-	<u>2,055</u>
Total all funds	<u>\$ 2,055</u> =====	<u>\$ 2,055</u> =====

Note 17 - Interfund Transfers

Operating transfers in and out are listed by fund for the year as follows:

	FUNDS TRANSFERRED FROM					TOTAL
	GENERAL FUND		SPECIAL REVENUE FUNDS			
	LOCAL	PCOA	USDA	SENIOR CENTER	SUPPLE SENIOR CENTER	
Funds Transferred In:						
Special Revenue Funds:						
IIIB Services	\$ 78,516	\$21,779	\$ -	\$6,351	\$ -	\$106,646
Title III-C AAA	2	-	-	-	-	2
Title C-1	5,988	-	13,955	-	-	19,943
Title C-2	43,858	-	10,500	-	-	54,358
Title III-D	183	-	-	-	-	183
Title III-F	185	-	-	-	-	185
Senior Center	-	-	-	-	4,500	4,500
Audit	7,434	-	-	-	-	7,434
Respite Care	3,647	-	-	-	-	3,647
Total Special Revenue Fund	\$139,813	\$21,779	\$24,455	\$6,351	\$4,500	\$196,898
	=====	=====	=====	=====	=====	=====

Note 18 - Risk Management

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

SUPPLEMENTARY FINANCIAL INFORMATION

**SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GENERAL FUND**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Programs of the General Fund			Total
	Local	PCOA	Transportation	
<b>REVENUES</b>				
Property tax	\$ 166,461	\$ 0	\$ 0	\$ 166,461
Intergovernmental:				
Office of Elderly Affairs	0	21,779	0	21,779
Program Service Fees:				
Transportation -				
Project Independence	0	0	50,628	50,628
River Parishes Hospital	0	0	15,485	15,485
Public support:				
Unrestricted - United Way	2,350	0	0	2,350
Restricted	1,437	0	0	1,437
Interest income	3,207	0	0	3,207
Miscellaneous:				
Senior Net	150	0	0	150
Other	2	0	0	2
<b>Total revenues</b>	<b>173,607</b>	<b>21,779</b>	<b>66,113</b>	<b>261,499</b>
<b>EXPENDITURES</b>				
Current:				
Personnel	0	0	23,727	23,727
Fringe	0	0	2,534	2,534
Travel	0	0	197	197
Operating services	431	0	23,188	23,619
Operating supplies	1,388	0	4,583	5,971
Other costs	2,295	0	408	2,703
Capital outlay	9,738	0	0	9,738
<b>Total expenditures</b>	<b>13,852</b>	<b>0</b>	<b>54,637</b>	<b>68,489</b>
Excess of revenues over(under) expenditures	159,755	21,779	11,476	193,010
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	0	0	0
Operating transfers out	(128,337)	(21,779)	(11,476)	(161,592)
Excess of revenues and other sources over(under) expenditures and other uses	31,418	0	0	31,418
<b>FUND BALANCES (DEFICIT)</b>				
Beginning of year	64,928	0	0	64,928
End of year	<u>\$ 96,346</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 96,346</u>

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
SPECIAL REVENUE FUNDS

St. John Parish Council on Aging, Inc.  
Lafayette, Louisiana

For the year ended June 30, 1999

	Title III C		Title III D		Title III E		USDA	Senior Center	Audit	Utility Assistance	Supplemental Senior Center	F.T.A.	Respite Care	Totals
	AAA	AAA-1	AAA-2	AAA-3	AAA-4	AAA-5								
<b>REVENUES</b>														
Intergovernmental:														
Governor's Office of Elderly Affairs	\$ 47,987	\$ 33,784	\$ 31,884	\$ 1,619	\$ 24,455	\$ 22,496	\$ 1,161	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 178,553
Dept. of Transportation and Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Public support:														
Client contributions	2,395	13,389	5,479	0	0	0	0	0	0	0	0	0	0	21,263
Nalco Foundation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
LA Association of Councils on Aging	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rotary Club	0	0	500	0	0	0	0	0	0	0	0	0	0	6,306
Total revenues	50,382	47,173	37,763	1,619	24,455	22,496	1,161	0	0	0	0	0	0	30,755
<b>EXPENDITURES</b>														
Current:														
Personnel	74,257	3,539	17,960	157	0	19,178	0	0	0	0	0	0	0	122,765
Fringe	8,185	628	1,897	30	0	1,467	0	0	0	0	0	0	0	12,940
Travel	1,300	47	4,561	4	0	0	0	0	0	0	0	0	0	5,955
Operating services	56,529	4,784	12,932	1,033	0	0	0	0	0	0	0	0	0	77,147
Operating supplies	13,910	519	2,083	31	0	0	0	0	0	0	0	0	0	17,205
Other costs	2,827	181	297	9	0	0	0	0	0	0	0	0	0	11,997
Meals	0	0	67,115	0	0	0	0	0	0	0	0	0	0	119,507
Capital outlay	0	0	52,391	0	0	0	0	0	0	0	0	0	0	31,553
Utility assistance	0	0	0	0	0	0	0	0	0	0	0	0	0	2,925
Total expenditures	157,008	9,798	92,121	1,274	0	20,645	0	0	2,925	0	0	0	0	219,507
Excess of revenues over (under) expenditures	(106,646)	(2)	(54,358)	(183)	(185)	1,851	(7,434)	0	0	0	0	0	0	(31,752)
<b>OTHER FINANCING SOURCES (USES)</b>														
Operating transfers in	106,646	2	54,358	183	0	4,500	0	0	0	0	0	0	0	196,898
Operating transfers out	0	0	0	0	(24,455)	(6,351)	0	0	0	(4,500)	0	0	0	(35,306)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	0	0	0	0	0	0	161,592
<b>FUND BALANCE (DEFICIT)</b>														
Beginning of year	0	0	0	0	0	0	0	0	0	0	0	0	0	630
End of year	0	0	0	0	0	0	0	0	1,089	0	0	0	0	1,089
	0	0	0	0	0	0	0	0	1,719	0	0	0	0	1,719

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>PCOA</b>			
Transfers to Title III B	\$ 21,779	\$ 21,779	\$ 0
Totals	\$ 21,779	\$ 21,779	\$ 0
<b><u>TITLE III-B SUPPORTIVE SERVICES</u></b>			
Personnel	\$ 75,287	\$ 74,257	\$ 1,030
Fringe	8,371	8,185	186
Travel	1,370	1,300	70
Operating services	65,500	56,529	8,971
Operating supplies	7,112	13,910	(6,798) *
Other costs	2,721	2,827	(106)
Totals	\$ 160,361	\$ 157,008	\$ 3,353
<b><u>TITLE III C - Area Agency Administration</u></b>			
Personnel	\$ 3,639	\$ 3,639	\$ 0
Fringe	628	628	0
Travel	47	47	0
Operating services	4,784	4,784	0
Operating supplies	519	519	0
Other costs	181	181	0
Totals	\$ 9,798	\$ 9,798	\$ 0
<b><u>TITLE III C-1 SERVICES</u></b>			
Meals:			
Raw food	\$ 38,578	\$ 38,563	\$ 15
Labor and non-edibles	29,822	28,553	1,269
Totals	\$ 68,400	\$ 67,116	\$ 1,284

\* The unfavorable variance for this line item is greater than 10% of the budgeted amount. Transfers in from unrestricted local funds were more than the amount of the budget violation.

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

For the year ended June 30, 1999

	Budget	Actual	Various Favorable (Unfavorable)
<b>TITLE III C-2</b>			
Personnel	\$ 18,756	\$ 17,960	\$ 796
Fringe	2,070	1,897	173
Travel	4,330	4,561	(231)
Operating services	15,504	12,932	2,572
Operating supplies	6,054	2,083	3,971
Other costs	308	297	11
Meals:			
Raw food	29,102	30,153	(1,051)
Labor and non-edibles	22,498	22,238	260
Totals	\$ 98,622	\$ 92,121	\$ 6,501
 <b>TITLE III D</b>			
Personnel	\$ 162	\$ 167	\$ (5)
Fringe	28	30	(2)
Travel	2	4	(2)
Operating services	1,013	1,033	(20)
Operating supplies	23	31	(8)
Other costs	8	9	(1)
Totals	\$ 1,236	\$ 1,274	\$ (38)
 <b>TITLE III F</b>			
Personnel	\$ 243	\$ 237	\$ 6
Fringe	42	42	0
Travel	3	6	(3)
Operating services	319	286	33
Operating supplies	1,235	422	813
Other costs	12	13	(1)
Capital outlay	0	798	(798) *
Totals	\$ 1,854	\$ 1,804	\$ 50

\*When the Council budgeted the purchase of exercise equipment it included the cost in the operating supplies category and failed to consider that the cost of an individual piece of equipment might require it to be capitalized, thereby making it a capital outlay expenditure. The budget for operating supplies includes \$1,200 for the projected cost of exercise equipment. The actual expenditure for exercise equipment was \$1,176. However, two pieces of equipment had a unit cost greater than \$250 and have been capitalized. All other costs, both in the budget and actual, are indirect costs that were allocated to this program.



**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Budget	Actual	Various Favorable (Unfavorable)
<b><u>USDA</u></b>			
Transfers to Title III C-1	\$ 14,000	\$ 13,955	\$ 45
Transfers to Title III C-2	10,500	10,500	0
<b>Totals</b>	<b>\$ 24,500</b>	<b>\$ 24,455</b>	<b>\$ 45</b>
 <b><u>SENIOR CENTER</u></b>			
Personnel	\$ 19,110	\$ 19,178	\$ (68)
Fringe	1,458	1,467	(9)
Travel	0	0	0
Operating services	0	0	0
Operating supplies	0	0	0
Other costs	0	0	0
Transfers to Title III B	6,428	6,351	77
<b>Totals</b>	<b>\$ 26,996</b>	<b>\$ 26,996</b>	<b>\$ 0</b>
 <b><u>AUDIT</u></b>			
Other costs	\$ 8,595	\$ 8,595	\$ 0
<b>Totals</b>	<b>\$ 8,595</b>	<b>\$ 8,595</b>	<b>\$ 0</b>
 <b><u>SUPPLEMENTAL SENIOR CENTER</u></b>			
Transfer out to Senior Center	\$ 4,500	\$ 4,500	\$ 0
<b>Totals</b>	<b>\$ 4,500</b>	<b>\$ 4,500</b>	<b>\$ 0</b>

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

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

		<u>Percent of GOEA Grant</u>
<b>Access(30%):</b>		
Assisted transportation	\$ 0	
Case management	0	
Transportation	117,151	
Information and assistance	7,161	
Outreach	<u>10,847</u>	
 Total access expenses	 <u>135,159</u>	 <b>461.04%</b>
<b>In-Home(15%):</b>		
Homemaker	11,161	
Chore	0	
Telephoning	0	
Visiting	0	
Adult daycare/health	0	
Personal Care	<u>0</u>	
 Total in-home expenses	 <u>11,161</u>	 <b>38.07%</b>
<b>Legal(5%):</b>		
Legal assistance	<u>1,510</u>	<b>5.15%</b>
 Non-priority services	 <u>9,178</u>	
<b>Total Title III B - Supportive Services Expenditures</b>	<b>157,008</b>	
Less: Participant contributions	(2,395)	
Other public support	0	
Transfers in	<u>(106,646)</u>	
<b>Title III B - Supportive Services Contract</b>	<b>47,967</b>	
Less: Transfers of contract allotments	0	
State homemaker	0	
State transportation	<u>(18,651)</u>	
<b>Original contract award net of additional state homemaker and transportation funds and transfers of contract allotments</b>	<b><u>\$ 29,316</u></b>	

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS  
AND CHANGES IN GENERAL FIXED ASSETS**

**St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana**

**For the year ended June 30, 1999**

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
<b>General fixed assets:</b>				
Vehicles	\$ 185,199	\$ 38,444	\$ (18,532)	\$ 205,111
Office furniture and equipment	24,741	2,049	(19,676)	7,114
Recreation equipment	5,285	798	(3,349)	2,734
Leasehold improvements	19,164	0	(543)	18,621
<b>Total general fixed assets</b>	<b>\$ 234,389</b>	<b>\$ 41,291</b>	<b>\$ (42,100)</b>	<b>\$ 233,580</b>
<b>Investment in general fixed assets:</b>				
<b>Property acquired with funds from -</b>				
FTA	\$ 130,977	\$ 30,755	\$ (1,649)	\$ 160,083
General funds	88,510	9,738	(26,935)	71,313
Senior Center	12,250	0	(10,864)	1,386
Title III B	1,484	0	(1,484)	0
Title III C-1	264	0	(264)	0
Title III C-2	157	0	(157)	0
Title III F	0	798	0	798
Title XX	747	0	(747)	0
<b>Total investments in general fixed assets</b>	<b>\$ 234,389</b>	<b>\$ 41,291</b>	<b>\$ (42,100)</b>	<b>\$ 233,580</b>

**DISCLOSURE ABOUT THE YEAR 2000 ISSUE**

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

June 30, 1999

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 issue may be experienced before, on or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect the Council's ability to conduct normal business operations.

**DESCRIPTION OF WORK COMPLETED OR TO BE COMPLETED TO MAKE  
THE COUNCIL'S COMPUTER SYSTEM AND OTHER ELECTRONIC EQUIPMENT  
CRITICAL TO CONDUCTING OPERATIONS SYSTEM 2000 COMPLIANT**

The Council's management has taken action to minimize any adverse effects which might result from the year 2000 as follows:

**GENERAL OPERATIONS AND ACCOUNTING SYSTEMS**

The Council hired Louisiana Computer Corporation, a computer consulting firm, to insure its existing computers are ready for January 1, 2000. In addition, the Council purchased a new Pentium II computer, a laser printer, and software in June, 1999 that are year 2000 compliant.

The Client Tracking System software is presently not compliant. The Governor's Office of Elderly Affairs is purchasing software to be installed in November, 1999, that will ensure this application will be Year 2000 compliant.

**PURCHASE OF GOODS AND SERVICES INTEGRAL  
TO THE COUNCIL'S OPERATIONS**

There are alternatives available whereby the Council can acquire the goods and services it needs to perform its routine functions should the year 2000 prevent the usual vendors from meeting the Council's needs.

**FINANCIAL RESOURCE COMMITMENTS**

Management does not expect to spend additional funds in FY2000 to upgrade its software and hardware to be Year 2000 compliant.

**DISCLAIMER**

Despite all the efforts the Council's management can and will take to assess, remediate, and validate through testing the problems associated with the year 2000, management makes no guarantee that all systems and equipment used by the Council, its service organization, suppliers, or other third parties will be year 2000 compliant.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana  
For the Year Ended June 30, 1999

I have audited the financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana as of and for the year ended June 30, 1999, and have issued my report thereon dated November 11, 1999. I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

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

Internal Control:

Material Weaknesses  Yes  No  
Reportable Conditions  Yes  No

Compliance:

Compliance Material to Financial Statements  Yes  No

b. Federal Awards

Federal awards were less than \$300,000. This section is not applicable.

c. Identification of Major Programs

This section is not applicable

d. Management Letter

The auditor issued a management letter relating to this year's audit:  Yes  No

**Section II - Financial Statement Findings**

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

**Section III - Federal Award Findings and Questioned Costs**

This section is not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

For the Year Ended June 30, 1999

Section I - Internal Control and Compliance Material to the  
Financial Statements  
No findings were reported in the prior year.

Section II - Internal Control and Compliance Material to Federal  
Awards  
No findings were reported in the prior year.

Section III - Management Letter

Item#: 98 IC-1  
Description: The formula used to allocate transportation costs  
needs to be corrected.  
Status: Resolved

Item#: 98 IC-2  
Description: The COA and Parish Council need to better co-  
ordinate the administration of property tax  
revenues.  
Status: Unresolved. See current year management letter  
item 99-1.

# NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4  
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE  
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE  
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

## MANAGEMENT LETTER

November 11, 1999

To the Board of Directors  
St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

I have audited the financial statements of the St. John Parish Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued my report thereon dated November 11, 1999. 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.

As part of my audit, I also issued a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*, dated November 11, 1999.

During the course of the audit, I became aware of several issues that deserve your attention.

Finding 99-1: I recommended in the prior year's management letter that the COA and the Parish Council need to coordinate the administration of property tax revenues. I noted that in July, 1998, the Parish Council transferred the entire balance of the Council's collected but unremitted property taxes from the separate "Senior Citizen Tax Account" to the Parish's consolidated account. These funds were later returned to a separate "Senior Citizen Tax Account" and then remitted to the Council during the fiscal year. Accordingly, as of June 30, it seemed that the Parish Council and the COA had worked out a compromise agreement on how to handle this money.



## Management Letter - (Continued)

However, events that have occurred after year end still have me concerned. In July, the Parish Council withdrew \$309.71 from the COA's tax account to "reimburse" the Parish for bank charges. After reviewing information sent to me as to how these charges arose, it appears that they were attributable to the Parish's inefficient administration of this money. In addition, the minutes of the COA's board meeting on June 30 indicated the COA's board expected the Parish to begin forwarding the tax money as it was collected. However, no amounts were remitted by the Parish from July 1 through November 3. The amount in the account was approximately \$4,500. On November 4, the Parish remitted \$2,800.

### Recommendation:

I continue to support the Board's efforts to have the property tax revenues for the COA remitted directly to the COA from the Sheriff's Department. In addition, I recommend the COA's finance committee review the tax account's monthly activity to monitor its balance, request remittances, and watch for unusual or unauthorized disbursements.

### Finding 99-2:

During the audit I noted errors in bookkeeping that were caused by:

- ◆ Clerical oversight,
- ◆ Misinterpretation of how to account for certain types of transactions,
- ◆ Not assigning specific responsibility to perform certain procedures, and
- ◆ Lack of procedures to handle certain types of transactions.

None of these errors was individually significant.

Management Letter - (Continued)

Recommendation: The purpose of reporting this finding is to help improve upon the current system and prevent minor instances from becoming major instances. To help management address this finding, I have given the director and the outside CPA firm which does the monthly bookkeeping a list of the errors I noted during the audit. The director and outside CPA firm should review the list of errors to determine why they occurred and what can be done to prevent similar errors from occurring in the future. The finance committee should follow-up to verify that this review has been done and what steps were taken to strengthen the system.

Finding 99-3: During the year, the Council was monitored by an auditor from GOEA. Although she concluded that internal control procedures were adequate, she pointed out some operational deficiencies. I have mentioned to management in previous audits some of the same deficiencies but they seem to recur from time to time. Also, I have provided management a list of some other procedural matters that need to be considered.

Recommendation: The most important reason to develop good internal controls and to follow the related procedures is to protect honest employees from unwarranted suspicion of wrongdoing. I recommend that the finance committee follow-up to ensure that the operational deficiencies in the GOEA report have been corrected and are followed in the future. My list should also be reviewed.

I recommend management and the Board address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain this matter, or offer ways to help you prevent it from reoccurring.

Sincerely,



Neil G. Ferrari, CPA

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. John Parish Council on Aging, Inc.  
LaPlace, Louisiana

For the Year Ended June 30, 1999

**Section I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS**

There were no findings reported in this section.

**Section II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS**

There were no findings reported in this section.

**Section III - MANAGEMENT LETTER**

Finding 99-1: In January, 2000, a new Parish Council administration will take office. It is our intent to meet with the new administration, explain our concerns and past experiences, and gain their consent to have the COA's property tax revenues remitted directly to us. In the meantime, we will monitor the tax account's monthly activity to look for unusual or unauthorized transactions.

Finding 99-2: The Council's Director and outside CPA firm will review the list of bookkeeping errors to determine why they occurred. Steps will be taken to educate and train personnel involved in the bookkeeping process to minimize their mistakes. We will review the procedures used to process transactions and to review financial information to strengthen controls. For fiscal year 2000, we have implemented a new software system which will help us identify bookkeeping errors more timely.

Finding 99-3: We are aware of the operational deficiencies noted by GOEA and your audit. Steps have already been taken to remedy some of them. We will work towards improving the Council's procedures and controls and report the progress to the Council's finance committee.

If you have any questions regarding this plan, please call Barbara Gralapp at (504) 652-3660.