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**MADISON COUNCIL ON AGING, INC.**

**FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 1999**

**With**

**REPORT OF CERTIFIED PUBLIC ACCOUNTANTS**

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 7 5 2000

MADISON COUNCIL ON AGING, INC.  
 FINANCIAL REPORT  
 YEAR ENDED JUNE 30, 1999

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MADISON COUNCIL ON AGING, INC.  
Board of Directors

June 30, 1999

Myrtle L. Whitney, President	08/97 - 08/00
Carrie A. Scott, Vice President	07/96 - 07/99
Katheleen Marshall, Secretary	07/99 - 07/02
Willie Moffett	07/98 - 07/01
Debra May	10/95 - 10/98
William Givens	04/97 - 04/00
Lillie Bunch	08/97 - 08/00
Joseph Bosley	08/97 - 08/00
Cleotha Harris	05/96 - 05/99
Sidney Williams	07/97 - 07/00
Charles Dunn	07/97 - 07/00
Gladys Gibson	07/96 - 07/99

# THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members  
American Institute of  
Certified Public Accountants

Mississippi Society of  
Certified Public Accountants

Louisiana Society of  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Madison Council on Aging, Inc.  
Tallulah, Louisiana

We have audited the accompanying general purpose financial statements of Madison Council on Aging, Inc. 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 Madison Council on Aging, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 the significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Madison Council on Aging, Inc. 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*, we have also issued our report dated February 23, 2000 on our consideration of Madison Council on Aging, Inc.'s internal control structure and a report dated February 23, 2000 on its compliance with laws and regulations.

The accompanying schedules listed in the Table of Contents as Supplementary Financial Information are presented for purposes of additional analysis as required by the State of Louisiana, Governor's Office of Elderly Affairs, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
February 23, 2000

## GENERAL PURPOSE FINANCIAL STATEMENTS

MADISON COUNCIL ON AGING, INC.  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1999

	Government Fund Types	
ASSETS	General	Special Revenues
Cash	\$ 4,135	\$ 29,817
Grants receivable	-0-	25,258
Due from other funds	31,202	-0-
Inventory	-0-	514
Property and equipment	-0-	-0-
Amount to be provided for retirement of long-term debt	-0-	-0-
Total assets	\$ 35,337	\$ 55,589
<u>LIABILITIES AND FUND EQUITY (DEFICIT)</u>		
LIABILITIES		
Accounts payable	\$ -0-	\$ 13,550
Due to other funds	-0-	31,202
Compensated absences payable	-0-	-0-
Notes payable	-0-	-0-
Due to state	-0-	1,398
Total liabilities	-0-	46,150
FUND EQUITY (DEFICIT)		
Investment in general fixed assets	-0-	-0-
Fund equity (deficit):		
Unreserved	35,337	8,925
Reserved for inventory	-0-	514
Total fund equity (deficit)	35,337	9,439
Total liabilities and fund equity (deficit)	\$ 35,337	\$ 55,589

The accompanying notes are an integral part of these financial statements.

<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>	
<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>	<u>1999</u>	<u>1998</u>
\$ -0-	\$ -0-	\$ 33,952	\$ 44,341
-0-	-0-	25,258	7,340
-0-	-0-	31,202	31,202
-0-	-0-	514	1,058
355,740	-0-	355,740	353,274
<u>-0-</u>	<u>55,851</u>	<u>55,851</u>	<u>70,586</u>
<u>\$ 355,740</u>	<u>\$ 55,851</u>	<u>\$ 502,517</u>	<u>\$ 507,801</u>
\$ -0-	\$ -0-	\$ 13,550	\$ 6,685
-0-	-0-	31,202	31,202
-0-	3,463	3,463	3,240
-0-	52,388	52,388	67,346
<u>-0-</u>	<u>-0-</u>	<u>1,398</u>	<u>-0-</u>
<u>-0-</u>	<u>55,851</u>	<u>102,001</u>	<u>108,473</u>
355,740	-0-	355,740	353,274
-0-	-0-	44,262	44,996
<u>-0-</u>	<u>-0-</u>	<u>514</u>	<u>1,058</u>
<u>355,740</u>	<u>-0-</u>	<u>400,516</u>	<u>399,328</u>
<u>\$ 355,740</u>	<u>\$ 55,851</u>	<u>\$ 502,517</u>	<u>\$ 507,801</u>

MADISON COUNCIL ON AGING, INC.  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 ALL GOVERNMENTAL FUND TYPES  
 YEAR ENDED JUNE 30, 1999

	General Fund	Special Revenue Funds	<u>Totals (Memorandum Only)</u>	
			1999	1998
<b>REVENUES</b>				
Federal grant	\$ -0-	\$ 167,211	\$ 167,211	\$ 160,189
State grant	-0-	207,984	207,984	194,375
Client contributions	-0-	51,552	51,552	36,388
Other income	13,943	1,763	15,706	2,217
Local activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>21,185</u>
Total revenues	<u>13,943</u>	<u>428,510</u>	<u>442,453</u>	<u>414,354</u>
<b>EXPENDITURES</b>				
Current				
Salaries	5,925	190,140	196,065	184,769
Fringe benefits	1,975	35,418	37,393	40,766
Raw food	-0-	47,846	47,846	49,604
Travel	-0-	7,049	7,049	5,105
Operating services	4,287	94,490	98,777	95,223
Operating supplies	6,924	35,298	42,222	19,115
Other	-0-	8,186	8,186	9,212
Capital outlay	<u>-0-</u>	<u>6,297</u>	<u>6,297</u>	<u>2,435</u>
Total expenditures	<u>19,111</u>	<u>424,724</u>	<u>443,835</u>	<u>406,229</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,168)</u>	<u>3,786</u>	<u>(1,382)</u>	<u>8,125</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-0-	67,157	67,157	71,101
Operating transfers out	<u>(4,233)</u>	<u>(62,924)</u>	<u>(67,157)</u>	<u>(71,101)</u>
Total other financing sources (uses)	<u>(4,233)</u>	<u>4,233</u>	<u>-0-</u>	<u>-0-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(9,401)	8,019	(1,382)	8,125
FUND BALANCE, Beginning	<u>44,738</u>	<u>1,420</u>	<u>46,158</u>	<u>38,033</u>
FUND BALANCE, Ending	<u>\$ 35,337</u>	<u>\$ 9,439</u>	<u>\$ 44,776</u>	<u>\$ 46,158</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND  
YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable Unfavorable)</u>
REVENUES			
Federal grant	\$ -0-	\$ -0-	\$ -0-
State grant	-0-	-0-	-0-
Client contributions	-0-	-0-	-0-
Other income	-0-	13,943	13,943
Local activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>-0-</u>	<u>13,943</u>	<u>13,943</u>
EXPENDITURES			
Current			
Salaries	-0-	5,925	(5,925)
Fringe benefits	-0-	1,975	(1,975)
Raw food	-0-	-0-	-0-
Travel	-0-	-0-	-0-
Operating services	-0-	4,287	(4,287)
Operating supplies	-0-	6,924	(6,924)
Other	-0-	-0-	-0-
Capital outlay	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total expenditures	<u>-0-</u>	<u>19,111</u>	<u>(19,111)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-0-</u>	<u>(5,168)</u>	<u>(5,168)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-0-	-0-	-0-
Operating transfers out	<u>-0-</u>	<u>(4,233)</u>	<u>(4,233)</u>
Total other financing sources (uses)	<u>-0-</u>	<u>(4,233)</u>	<u>(4,233)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-0-	(9,401)	(9,401)
FUND BALANCE, Beginning	<u>-0-</u>	<u>44,738</u>	<u>44,738</u>
FUND BALANCE, Ending	<u>\$ -0-</u>	<u>\$ 35,337</u>	<u>\$ 35,337</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS)  
 AND ACTUAL - SPECIAL REVENUE FUND TYPES  
 YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>Unfavorable</u>
<b>REVENUES</b>			
Federal grant	\$ 179,971	\$ 167,211	\$ (12,760)
State grant	208,309	207,984	(325)
Client contributions	44,500	51,552	7,052
Other income	-0-	1,763	1,763
Local activities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total revenues	<u>432,780</u>	<u>428,510</u>	<u>(4,270)</u>
<b>EXPENDITURES</b>			
Current			
Salaries	186,605	190,140	(3,535)
Fringe benefits	35,461	35,418	43
Raw food	42,200	47,846	(5,646)
Travel	14,294	7,049	7,245
Operating services	81,673	94,490	(12,817)
Operating supplies	38,870	35,298	3,572
Other	3,778	8,186	(4,408)
Capital outlay	<u>17,400</u>	<u>6,297</u>	<u>11,103</u>
Total expenditures	<u>420,281</u>	<u>424,724</u>	<u>(4,443)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(12,499)</u>	<u>3,786</u>	<u>(8,713)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	49,770	67,157	17,387
Operating transfers out	<u>(49,770)</u>	<u>(62,924)</u>	<u>(13,154)</u>
Total other financing sources (uses)	<u>-0-</u>	<u>4,233</u>	<u>(4,233)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	(12,499)	8,019	(4,480)
FUND BALANCE, Beginning	<u>-0-</u>	<u>1,420</u>	<u>1,420</u>
FUND BALANCE, Ending	<u>\$ (12,499)</u>	<u>\$ 9,439</u>	<u>\$ (3,060)</u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

MADISON COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The primary function of the Madison 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 peoples of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, senior centers operations and transportation. A Board of Directors consisting of 12 voluntary members who serve three-year terms governs the Council.

B. 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 Governor's Office of Elderly Affairs. Madison 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, which provides most of its revenues. The Council also receives revenues from other federal, state and local government agencies which may impose certain restrictions on how the funds may be used.

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.

C. 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 government 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 standards 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*.

D. Fund Accounting

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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

MADISON COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

financial statements in this report into two generic fund types and two broad fund categories (account groups). The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

Governmental Fund Types

General Fund:

The general fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounting for in another fund.

Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

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

General Fixed Assets

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

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

E. Basis of Accounting

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

The governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

MADISON COUNCIL ON AGING, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Basis of Accounting (continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

F. Budgets and Budgetary Accounting

Budgets for certain special revenue programs are prepared by the Council's executive staff and, after approval by the Board of Directors, are submitted to the Governor's Office of Elderly Affairs for approval. Budget appropriations lapse at the end of the program year.

Budgets for Helpings Hands, Gas Assistance, Title XIX Medical Assistance, Section 18 Special Revenue Funds and the General Fund are not prepared because they are not legally required and the amount of the revenue to be received could not be determined.

G. Interfund Transactions

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

H. Compensated Absences

It is the Council's policy to permit employees to accumulate a maximum of 40 hours of earned but unusual vacation leave, which will be paid to employees upon separation from the Council's service. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt account group. No expenditure is reported for these amounts.

I. Fixed Assets

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

J. Long-Term Liabilities

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt account group.

K. Grants

Resources from government grants are recorded in revenue as expenses are incurred.

MADISON COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Income Tax Status

The Council qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

M. Encumbrances

The Council does not utilize the encumbrance method of accounting.

N. Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 1999, the carrying amount (recorded on the Council's books) of the Council's demand deposits was \$33,952 and was insured by the FDIC.

NOTE 3. DUE TO AND DUE FROM OTHER FUNDS

As of June 30, 1999, interfund receivables and payables that resulted from interfund transactions were as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 31,302	\$ -0-
Special Revenue Funds:		
Section 18	-0-	31,202
	\$ 31,202	\$ 31,202

NOTE 4. GRANTS RECEIVABLE

Grants receivable at June 30, 1999 consisted of:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Title III-C-1	Special Revenue	\$ 3,396
Title XIX Medical Transportation	Special Revenue	2,190
USDA	Special Revenue	1,248
Section 18	Special Revenue	18,424
Total		\$ 25,258

MADISON COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 1999

NOTE 5. BOARD OF DIRECTORS COMPENSATION

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

NOTE 6. CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Council's long-term debt during fiscal year 1999:

	<u>Balance 6/30/98</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/99</u>
Accumulated unpaid vacations	\$ 3,240	\$ 223	\$ -0-	\$ 3,463
Notes payable	<u>67,346</u>	<u>-0-</u>	<u>14,958</u>	<u>52,388</u>
Total long-term debt	<u>\$ 70,586</u>	<u>\$ 223</u>	<u>\$ 14,958</u>	<u>\$ 55,851</u>

NOTE 7. 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 revenues from various federal and state grant programs which are subject to final review and approval as to allowability or expenditures by the respective grantor agencies. Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

NOTE 8. 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 fiscal year 2000.

MADISON COUNCIL ON AGING, INC.  
 NOTES TO FINANCIAL STATEMENTS  
 YEAR ENDED JUNE 30, 1999

NOTE 9. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ending June 30, 1999:

<u>FUNDS TRANSFERRED IN</u>	<u>FUNDS TRANSFERRED OUT</u>					<u>TOTAL</u>
	<u>General</u>	<u>Senior Center</u>	<u>Misc. Grant</u>	<u>USDA</u>	<u>PCOA (ACT 735)</u>	
Title III-B-Supportive	\$ 4,047	\$ 1,264	\$ -0-	\$ -0-	\$ 10,000	\$ 15,311
Title III-C-1	-0-	-0-	-0-	6,384	-0-	6,384
Title III-C-2	-0-	13,077	4,500	15,920	11,779	45,276
AAA	186	-0-	-0-	-0-	-0-	186
<b>Total</b>	<u>\$ 4,233</u>	<u>\$ 14,341</u>	<u>\$ 4,500</u>	<u>\$ 22,304</u>	<u>\$ 21,779</u>	<u>\$ 67,157</u>

**SUPPLEMENTARY FINANCIAL INFORMATION**

# THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members  
American Institute of  
Certified Public Accountants

Mississippi Society of  
Certified Public Accountants

Louisiana Society of  
Certified Public Accountants

## 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  
Madison Council on Aging, Inc.  
Tallulah, Louisiana

We have audited the financial statements of Madison Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated February 23, 2000. We conducted our audit in accordance with generally accepted auditing 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 Madison Council on Aging, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying schedule of findings and questioned costs as item 99-2.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operations that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Madison Council on Aging, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be

Board of Directors  
Council on Aging, Inc.  
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*reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.*

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Elderly Affairs.

*The Halford Firm, PLLC*

Vicksburg, Mississippi  
February 23, 2000

MADISON COUNCIL ON AGING, INC.  
 SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - GENERAL FUND  
 YEAR ENDED JUNE 30, 1999

<u>REVENUES</u>	<u>Total</u>
Federal grants	\$ -0-
State grants	-0-
Participant contributions	-0-
Other income	-0-
Local activities	-0-
Total revenues	-0-
<u>EXPENDITURES</u>	
Current:	
Salaries	-0-
Fringe	-0-
Travel	-0-
Operating services	-0-
Operating supplies	-0-
Other costs	-0-
Capital outlay	-0-
Total expenditures	-0-
Excess (deficiency) of revenues over (under) expenditures	-0-
<u>OTHER FINANCING SOURCES (USES)</u>	
Operating transfers in	-0-
Operating transfers out	-0-
Total other financing sources (uses)	-0-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-0-
<u>FUND EQUITY (DEFICIT), beginning of year</u>	-0-
<u>FUND EQUITY (DEFICIT), end of year</u>	\$ -0-

MADISON COUNCIL ON AGING, INC.  
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 1999

	Title III-B Supportive Services		Title III Nutrition Services	
<u>ASSETS</u>	AAA	Services	C-1	C-2
Cash	\$ 104	\$ 415	\$ (309)	\$ 4,773
Grants and accounts receivable	-0-	-0-	3,396	-0-
Inventory of supplies	-0-	-0-	-0-	-0-
Total assets	\$ 104	\$ 415	\$ 3,087	\$ 4,773
<u>LIABILITIES AND FUND EQUITY</u>				
LIABILITIES				
Accounts payable	\$ 104	\$ 415	\$ 3,087	\$ 4,773
Due to state	-0-	-0-	-0-	-0-
Due to other funds	-0-	-0-	-0-	-0-
Total liabilities	104	415	3,087	4,773
FUND EQUITY (DEFICIT)				
Fund balance reserve for inventory of supplies	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund balance (deficit), unreserved	-0-	-0-	-0-	-0-
Total fund balance (deficit)	-0-	-0-	-0-	-0-
Total liabilities and fund balance (deficit)	\$ 104	\$ 415	\$ 3,087	\$ 4,773

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

<u>ASSETS</u>	<u>Senior Center</u>	<u>Section 18 Transportation</u>	<u>Title XIX Medical Assistance</u>	<u>USDA</u>
Cash	\$ 20	\$ 18,318	\$ 86	\$ 1,239
Grants and accounts receivable	-0-	18,424	2,190	1,248
Inventory of supplies	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>514</u>
Total assets	<u>\$ 20</u>	<u>\$ 36,742</u>	<u>\$ 2,276</u>	<u>\$ 3,001</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 20	\$ 5,122	\$ 25	\$ -0-
Due to state	-0-	-0-	-0-	-0-
Due to other funds	<u>-0-</u>	<u>31,202</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>20</u>	<u>36,324</u>	<u>25</u>	<u>-0-</u>
 <u>FUND EQUITY (DEFICIT)</u>				
Fund balance reserve for inventory of supplies	\$ -0-	\$ -0-	\$ -0-	\$ 514
Fund balance (deficit), unreserved	<u>-0-</u>	<u>418</u>	<u>2,251</u>	<u>2,487</u>
Total fund balance (deficit)	<u>-0-</u>	<u>418</u>	<u>2,251</u>	<u>3,001</u>
Total liabilities and fund balance (deficit)	<u>\$ 20</u>	<u>\$ 36,742</u>	<u>\$ 2,276</u>	<u>\$ 3,001</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

<u>ASSETS</u>				
	<u>Title III-D</u>	<u>Title III-F</u>	<u>Audit Funds</u>	<u>Misc. Grant</u>
Cash	\$ 747	\$ 655	\$ -0-	\$ -0-
Grants and accounts receivable	-0-	-0-	-0-	-0-
Inventory of supplies	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total assets	<u>\$ 747</u>	<u>\$ 655</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES</u>				
Accounts payable	\$ 4	\$ -0-	\$ -0-	\$ -0-
Due to state	743	655	-0-	-0-
Due to other funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities	<u>747</u>	<u>655</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND EQUITY (DEFICIT)</u>				
Fund balance reserve for inventory of supplies	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Fund balance (deficit), unreserved	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total fund balance (deficit)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total liabilities and fund balance (deficit)	<u>\$ 747</u>	<u>\$ 655</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

<u>ASSETS</u>	<u>Gas Assistance</u>	<u>Helping Hands</u>	<u>PCOA (Act 735)</u>	<u>Total</u>
Cash	\$ 3	\$ 3,766	\$ -0-	\$ 29,817
Grants and accounts receivable	-0-	-0-	-0-	25,258
Inventory of supplies	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>514</u>
 Total assets	 <u>\$ 3</u>	 <u>\$ 3,766</u>	 <u>\$ -0-</u>	 <u>\$ 55,589</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<b>LIABILITIES</b>				
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ 13,550
Due to state	-0-	-0-	-0-	1,398
Due to other funds	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>31,202</u>
 Total liabilities	 <u>3</u>	 <u>-0-</u>	 <u>-0-</u>	 <u>46,150</u>
 <b>FUND EQUITY (DEFICIT)</b>				
Fund balance reserve for inventory of supplies	\$ -0-	\$ -0-	\$ -0-	\$ 514
Fund balance (deficit), unreserved	<u>3</u>	<u>3,766</u>	<u>-0-</u>	<u>8,925</u>
 Total fund balance (deficit)	 <u>3</u>	 <u>3,766</u>	 <u>-0-</u>	 <u>9,439</u>
 Total liabilities and fund balance (deficit)	 <u>\$ 3</u>	 <u>\$ 3,766</u>	 <u>\$ -0-</u>	 <u>\$ 55,589</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 1999

	Title III-B Supportive Services		Title III Nutrition Services	
REVENUES	AAA	Services	C-1	C-2
Federal grant	\$ 9,797	\$ 33,623	\$ 33,691	\$ 17,652
State grant	3,266	43,960	32,070	44,420
Client contributions	-0-	-0-	9,428	8,880
Other income	-0-	-0-	238	-0-
Total revenue	13,063	77,583	75,427	70,952
EXPENDITURES				
Current:				
Salaries	6,868	49,682	27,774	51,948
Fringe	1,555	6,750	5,557	9,174
Raw food	-0-	-0-	18,810	29,036
Travel	245	795	483	751
Operating services	3,534	26,983	19,527	13,203
Operating supplies	458	3,257	6,686	8,604
Other	20	5,095	1,754	1,150
Capital outlay	383	332	1,220	2,362
Total expenditures	13,063	92,894	81,811	116,228
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-0-	(15,311)	(6,384)	(45,276)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	186	15,311	6,384	45,276
Operating transfers out	-0-	-0-	-0-	-0-
Total other financing sources (uses)	186	15,311	6,384	45,276
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	186	-0-	-0-	-0-
FUND BALANCE, beginning	(186)	-0-	-0-	-0-
FUND BALANCE, ending	\$ -0-	\$ -0-	\$ -0-	\$ -0-

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

	Senior Center	Section 18 Transportation	Title XIX Medical Assistance	USDA
REVENUES				
Federal grant	\$ -0-	\$ 53,389	\$ -0-	\$ 17,699
State grant	18,530	-0-	37,161	-0-
Client contributions	-0-	33,244	-0-	-0-
Other income	-0-	255	-0-	-0-
Total revenue	18,530	86,888	37,161	17,699
EXPENDITURES				
Current:				
Salaries	-0-	27,688	25,738	-0-
Fringe	-0-	9,229	3,059	-0-
Raw food	-0-	-0-	-0-	-0-
Travel	-0-	4,240	535	-0-
Operating services	4,189	16,120	5,815	-0-
Operating supplies	-0-	14,156	2,120	-0-
Other	-0-	-0-	-0-	-0-
Capital outlay	-0-	-0-	2,000	-0-
Total expenditures	4,189	71,433	39,267	0-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	14,341	15,455	(2,106)	17,699
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-0-	-0-	-0-	-0-
Operating transfers out	(14,341)	-0-	-0-	(22,304)
Total other financing sources (uses)	(14,341)	-0-	-0-	(22,304)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	-0-	15,455	(2,106)	(4,605)
FUND BALANCE, beginning	-0-	(15,037)	4,357	7,606
FUND BALANCE, ending	\$ -0-	\$ 418	\$ 2,251	\$ 3,001

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

REVENUES	Title III-D	Title III-F	Audit Funds	Misc. Grants
Federal grant	\$ 604	\$ 756	\$ -0-	\$ -0-
State grant	107	133	2,058	4,500
Client contributions	-0-	-0-	-0-	-0-
Other income	-0-	-0-	-0-	-0-
Total revenue	<u>711</u>	<u>889</u>	<u>2,058</u>	<u>4,500</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	442	-0-	-0-	-0-
Fringe	94	-0-	-0-	-0-
Raw food	-0-	-0-	-0-	-0-
Travel	-0-	-0-	-0-	-0-
Operating services	137	889	2,058	-0-
Operating supplies	17	-0-	-0-	-0-
Other	21	146	-0-	-0-
Capital outlay	-0-	-0-	-0-	-0-
Total expenditures	<u>711</u>	<u>1,035</u>	<u>2,058</u>	<u>-0-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-0-</u>	<u>(146)</u>	<u>-0-</u>	<u>4,500</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	-0-	-0-	-0-	-0-
Operating transfers out	-0-	-0-	-0-	(4,500)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(4,500)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>-0-</u>	<u>(146)</u>	<u>-0-</u>	<u>-0-</u>
<b>FUND BALANCE, beginning</b>	<u>-0-</u>	<u>146</u>	<u>-0-</u>	<u>-0-</u>
<b>FUND BALANCE, ending</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 SPECIAL REVENUE FUNDS - continued  
 YEAR ENDED JUNE 30, 1999

	Gas Assistance	Helping Hands	PCOA (Act 735)	Total
REVENUES				
Federal grant	\$ -0-	\$ -0-	\$ -0-	\$ 167,211
State grant	-0-	-0-	21,779	207,984
Client contributions	-0-	-0-	-0-	51,552
Other income	-0-	1,270	-0-	1,763
Total revenue	<u>-0-</u>	<u>1,270</u>	<u>21,779</u>	<u>428,510</u>
EXPENDITURES				
Current:				
Salaries	-0-	-0-	-0-	190,140
Fringe	-0-	-0-	-0-	35,418
Raw food	-0-	-0-	-0-	47,846
Travel	-0-	-0-	-0-	7,049
Operating services	1	2,034	-0-	94,490
Operating supplies	-0-	-0-	-0-	35,298
Other	-0-	-0-	-0-	8,186
Capital outlay	-0-	-0-	-0-	6,297
Total expenditures	<u>1</u>	<u>2,034</u>	<u>-0-</u>	<u>424,724</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1)</u>	<u>(764)</u>	<u>21,779</u>	<u>3,786</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-0-	-0-	-0-	67,157
Operating transfers out	-0-	-0-	(21,779)	(62,924)
Total other financing sources (uses)	<u>-0-</u>	<u>-0-</u>	<u>(21,779)</u>	<u>4,233</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(1)	(764)	-0-	8,019
FUND BALANCE, beginning	<u>4</u>	<u>4,530</u>	<u>-0-</u>	<u>1,420</u>
FUND BALANCE, ending	<u>\$ 3</u>	<u>\$ 3,766</u>	<u>\$ -0-</u>	<u>\$ 9,439</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL -  
 CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S  
 OFFICE OF ELDERLY AFFAIRS (GOEA)  
 YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>Unfavorable</u>
<b><u>TITLE III-B ADMINISTRATION</u></b>			
Salaries	\$ 7,087	\$ 6,868	\$ 219
Fringe	1,399	1,555	(156)
Travel	421	245	176
Operating services	3,423	3,534	(111)
Operating supplies	272	458	(186)
Other costs	-0-	20	(20)
Capital outlay	<u>461</u>	<u>383</u>	<u>78</u>
Total	<u>\$ 13,063</u>	<u>\$ 13,063</u>	<u>\$ -0-</u>
<b><u>TITLE III-B SUPPORTIVE SERVICES</u></b>			
Salaries	\$ 45,247	\$ 49,682	\$ (4,435)
Fringe	9,069	6,750	2,319
Travel	775	795	(20)
Operating services	17,522	26,983	(9,461)
Operating supplies	3,415	3,257	158
Other costs	1,978	5,095	(3,117)
Capital outlay	<u>841</u>	<u>332</u>	<u>509</u>
Total	<u>\$ 78,847</u>	<u>\$ 92,894</u>	<u>\$ (14,047)</u>
<b><u>TITLE III-C-1</u></b>			
Salaries	\$ 29,181	\$ 27,774	\$ 1,407
Fringe	5,830	5,557	273
Raw food	16,458	18,810	(2,352)
Travel	899	483	416
Operating services	15,524	19,527	(4,003)
Operating supplies	9,241	6,686	2,555
Other costs	702	1,754	(1,052)
Capital outlay	<u>1,597</u>	<u>1,220</u>	<u>377</u>
Total	<u>\$ 79,432</u>	<u>\$ 81,811</u>	<u>\$ (2,379)</u>
<b><u>AUDIT FUNDS</u></b>			
Operating services	<u>\$ 2,058</u>	<u>\$ 2,058</u>	<u>\$ -0-</u>
<b><u>MISCELLANEOUS GRANT</u></b>			
Transfers to Title III-C-2	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ -0-</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL -  
 CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA GOVERNOR'S  
 OFFICE OF ELDERLY AFFAIRS (GOEA) - continued  
 YEAR ENDED JUNE 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance Favorable Unfavorable)
<u>TITLE III-C-2</u>			
Salaries	\$ 54,826	\$ 51,948	\$ 2,878
Fringe	10,970	9,174	1,796
Raw food	25,742	29,036	(3,294)
Travel	1,399	751	648
Operating services	11,711	13,203	(1,492)
Operating supplies	8,172	8,604	(432)
Other costs	1,098	1,150	(52)
Capital outlay	<u>2,489</u>	<u>2,362</u>	<u>127</u>
Total	<u>\$ 116,407</u>	<u>\$ 116,228</u>	<u>\$ 179</u>
<u>TITLE III-D</u>			
Salaries	\$ 261	\$ 442	\$ (181)
Fringe	52	94	(42)
Operating services	115	137	(22)
Operating supplies	1,014	17	997
Other costs	-0-	21	(21)
Capital outlay	<u>12</u>	<u>-0-</u>	<u>12</u>
Total	<u>\$ 1,454</u>	<u>\$ 711</u>	<u>\$ 743</u>
<u>SENIOR CENTER</u>			
Operating services	\$ 3,099	\$ 4,189	\$ (1,090)
Capital outlay	300	-0-	300
Transfer out:			
Title III-B	1,264	1,264	-0-
Title III-C-2	<u>13,867</u>	<u>13,077</u>	<u>790</u>
Total	<u>\$ 18,530</u>	<u>\$ 18,530</u>	<u>\$ -0-</u>
<u>TITLE III-F</u>			
Other costs	\$ 600	\$ 146	\$ 454
Capital outlay	1,716	-0-	1,716
Operating services	<u>-0-</u>	<u>889</u>	<u>(889)</u>
Total	<u>\$ 2,316</u>	<u>\$ 1,035</u>	<u>\$ 1,281</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.  
 SCHEDULE OF PRIORITY SERVICES - TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES  
 YEAR ENDED JUNE 30, 1999

			\$	<u>% of GOEA GRANT</u>
Access	(30%)	Assisted Transportation	-0-	
		Case Management	454	
		Transportation	56,532	
		Information & Assistance	393	
		Outreach	<u>-0-</u>	
		Total access expenses	<u>57,379</u>	<u>73.96%</u>
In-Home	(15%)	Homemaker	-0-	
		Chore	-0-	
		Telephoning	-0-	
		Visiting	-0-	
		Adult Day Care/Health	-0-	
		Personal Care	<u>-0-</u>	<u>0.00%</u>
		Total in-home expenses	<u>-0-</u>	<u>2.44%</u>
Legal	(5%)	Legal assistance	<u>1,896</u>	<u>43.33%</u>
Other priority services			<u>-0-</u>	
Total Title III-B Supportive service expenditures			<u>33,619</u>	
Less:		Participant contributions	-0-	
		Other public support	1,535	
		Transfers in	<u>5,311</u>	
Title III-B Supportive services grant			<u>77,583</u>	
Less:		Transfers of contract allotments	-0-	
		State homemaker	-0-	
		State transportation	<u>-0-</u>	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments			<u>\$ 77,583</u>	

MADISON COUNCIL ON AGING, INC.  
 COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND  
 CHANGES IN GENERAL FIXED ASSETS  
 YEAR ENDED JUNE 30, 1999

	<u>Balance</u> <u>06/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/99</u>
<b><u>GENERAL FIXED ASSETS</u></b>				
Building	\$ 101,927	\$ -0-	\$ -0-	\$ 101,927
Land	25,000	-0-	-0-	25,000
Parking lot	1,248	-0-	-0-	1,248
Equipment	<u>225,099</u>	<u>5,914</u>	<u>3,448</u>	<u>227,565</u>
 Total general fixed assets	 <u>\$ 353,274</u>	 <u>\$ 5,914</u>	 <u>\$ 3,448</u>	 <u>\$ 355,740</u>
<b><u>INVESTMENT IN GENERAL FIXED ASSETS</u></b>				
Various funds*	\$ 1,740	\$ -0-	\$ 968	\$ 772
Title XX	3,357	-0-	190	3,167
Senior Center	7,461	-0-	-0-	7,461
PCOA (Act 735)	296	-0-	-0-	296
Local funds	133,021	-0-	600	132,421
Title III-B	8,996	332	480	8,848
Title III-C-1	-0-	1,220	-0-	1,220
DOTD	174,201	2,000	10	176,191
Title VII	6,800	-0-	-0-	6,800
Section 18 - Transportation	2,445	-0-	-0-	2,445
Miscellaneous grant	6,648	-0-	-0-	6,648
Title III-F	8,309	-0-	1,200	7,109
Title III-C-2	<u>-0-</u>	<u>2,362</u>	<u>-0-</u>	<u>2,362</u>
 Total investment in general fixed assets	 <u>\$ 353,274</u>	 <u>\$ 5,914</u>	 <u>\$ 3,448</u>	 <u>\$ 355,740</u>

\*The inventory records do not reflect the source from which these assets were acquired.

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

MADISON COUNCIL ON AGING, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1999

We have audited the financial statements of Madison Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated February 23, 2000. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our 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

-No material weaknesses noted.

-The following reportable condition was noted:

99-1      Paragraph 213.02 of the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, January 1, 1998 revision states:

"The accounting system should be designed to produce timely and meaningful reports. These would include interim reports for management; grant or special reports; budget reports; and the annual general purpose, component unit, or basic financial statements."

Madison Council on Aging, Inc. failed to produce timely and meaningful interim reports and the annual general purpose financial statement for management and the Board of Directors.

Compliance

-The following material issue of noncompliance was noted:

99-2      Paragraph 323.01 of the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor, January 1, 1998 revision states:

"The engagements must be completed within six months of the close of the fiscal year. The requirement for the timely completion of the engagement makes engagement planning very important. Under state law, the Legislative Auditor does not have the authority to grant extensions. When reports are issued after the 6 month statutory issue date, the legislative auditor requires the auditor, as a material issue of noncompliance, to report the failure to comply with state law together with a full explanation of the events leading to the noncompliance (whether a part of an audit, part of a compilation of sworn financial statements, or a compilation/attest report)."

Madison Council on Aging, Inc. failed to timely submit audited financial statements because the CPA responsible for maintaining the books did not complete closing the books for fiscal year ended June 30, 1999 until February, 2000.

MADISON COUNCIL ON AGING, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS - continued  
YEAR ENDED JUNE 30, 1999

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

b.      Federal Awards

Not applicable - not a Single Audit in accordance with Circular OMB A-133

c.      Identification of Major Programs

Not applicable - not a Single Audit in accordance with Circular OMB A-133

**Section II      Financial Statement Findings**

None noted.

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

None noted.

## **SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

MADISON COUNCIL ON AGING, INC.  
SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 1999

**Section I Internal Control and Compliance Material to the Financial Statements**

None noted.

**Section II Internal Control and Compliance Material to Federal Awards**

None noted.

**Section III Management Letter**

Reportable condition:

The Council has numerous bank accounts. However, only the transactions from the main operating account were recorded in the general ledger.

Corrective action:

The transactions from all bank accounts will be recorded in the general ledger.

## **MANAGEMENT'S CORRECTIVE PLAN**

**MADISON COUNCIL ON AGING, INC.  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED JUNE 30, 1999**

As required by the Office of the Legislative Auditor, Madison Council on Aging, Inc. has prepared and hereby submits the following corrective action plan for the reportable condition and material issue of noncompliance included in the report on compliance and internal control for the year ended June 30, 1999:

Reportable condition:

Madison Council on Aging, Inc. failed to produce timely and meaningful interim reports and the annual general purpose financial statement for management and the Board of Directors.

Corrective action:

At a Board of Directors meeting on January 20, 2000, the Board authorized the Executive Director to meet with the CPA responsible for maintaining the books and inform him that any future failure to timely complete his responsibilities concerning the Council will result in his immediate termination.

Material issue of noncompliance:

Madison Council on Aging, Inc. failed to timely submit audited financial statements because the CPA responsible for maintaining the books did not complete closing the books for the fiscal year ended June 30, 1999 until February, 2000.

Corrective action:

At a Board of Directors meeting on January 20, 2000, the Board was informed of the Council's failure to meet the audit deadline completion requirement. The Board authorized the Executive Director to meet with the CPA responsible for maintaining the books and inform him that any future failure to timely complete his responsibilities concerning the Council will result in his immediate termination.

## DATA COLLECTION FORM

**DATA COLLECTION FORM**

**FOR REPORTING ON AUDITS OF STATE AND LOCAL GOVERNMENT AND QUASIPUBLIC ENTITIES**

OMB Form 0348-0057 may be used as a substitute for this form. Date Submitted <u>02/23/00</u>	RETURN to: Legislative Auditor Attn: Engagement Processing Post Office Box 94397 Baton Rouge, Louisiana 70804-9397
-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------

1. Fiscal Year Ending Date For This Submission: <u>06/30/99</u>	2. Type of Report: <input type="checkbox"/> Single Audit <input checked="" type="checkbox"/> GAO Audit Standards Audit <input type="checkbox"/> Compilation <input type="checkbox"/> Compilation/Attestation <input type="checkbox"/> Program Audit <input type="checkbox"/> Other
3. Audit Period Covered <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Biennial <input type="checkbox"/> Other to	

4. AUDITEE INFORMATION		5. AUDITOR INFORMATION	
Auditee Name <u>Madison Council on Aging, Inc.</u>	Firm Name <u>The Halford Firm, PLLC</u>	a. Street Address (Number and Street) <u>203 South Elm Street</u>	b. Street Address (Number and Street) <u>1612 Mission 66</u>
Mailing Address (PO No.) <u>P. O. Box 1229</u>	Mailing Address (PO No.) <u>P. O. Box 1102</u>	City State Zip <u>Tallulah, LA 71284</u>	City State Zip <u>Vicksburg, MS 39180</u>
Auditee Contact Name <u>Audrey Ogden</u> Title <u>Director</u>	Auditor Contact Name <u>A. Kenneth Halford, CPA</u> Title <u></u>	Telephone <u>(318) 574-4101</u> Fax <u>(318) 574-4113</u>	Telephone <u>(601) 636-8973</u> Fax <u>(601) 636-7770</u>
Email (Optional)	Email (Optional)		

Component Units Included Within the Report and for Which No Separate Report Will Be Issued:  
None

If there are no modifications to the auditor's financial opinion, no reportable conditions, no material weaknesses, no reported instances of noncompliance, and no management letter, check this box; do not complete the rest of the form.

6. FINANCIAL STATEMENTS

a. Type of audit report on financial statements.  Not Applicable  
 Unqualified Opinion  Qualified Opinion  Adverse Opinion  Disclaimer of Opinion

b. Is a 'going concern' explanatory paragraph included in the audit report?  Yes  No

c. Do any of the funds have deficit fund balances?  Yes  No

d. Is there a related party footnote?  Yes  No

7. INTERNAL CONTROL  
Do the comments on internal control include:  material weaknesses  reportable conditions  not applicable

8. COMPLIANCE  
Do the comments on compliance include:  illegal acts  fraud/criminal acts  not applicable

9. MANAGEMENT LETTER (Finding Caption and No.)

<u>Finding #1</u>	Resolved <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
<u>Finding #2</u>	Resolved <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

10. SCHEDULE OF CURRENT YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

<u>00-1</u>	\$ <u>N/A</u>	Resolved <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
<u>00-2</u>	\$ <u>N/A</u>	Resolved <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	\$	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	\$	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	\$	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	\$	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

Do any findings address nepotism, ethics violations or related party transactions?  Yes  No

Do any findings address violation of bond indenture covenants?  Yes  No

11. SCHEDULE OF PRIOR YEAR FINDINGS/QUESTIONED COSTS (Finding Caption and No.)

<u>N/A</u>	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable
	Resolved <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No Longer Applicable

AUDITEE SIGNATURE

*Audrey S. O'Neal*

Date 3-1-2000

**FOR USE BY LEGISLATIVE AUDITOR**

Agency No. \_\_\_\_\_

Proj. No. \_\_\_\_\_

Firm No. \_\_\_\_\_

**FOR USE BY LEGISLATIVE AUDITOR**

Date Report Received: \_\_\_\_\_

Date Processed: \_\_\_\_\_

Legislative Audit Advisory Council:	Are there unresolved findings listed below?	Yes or No
District Attorney:	Are there findings of criminal acts?	Yes or No
Board of Ethics:	Are there findings of ethics, nepotism, or related parties?	Yes or No
State Bond Commission (SBC):	Are there any findings relating to violations of bond indentures?	Yes or No
	Does the report express going-concern reservations?	Yes or No
	Does the entity have a deficit greater than 5% of revenue? If so, identify the page(s) No(s) _____	Yes or No
High Profile:	Are there any significant findings?	Yes or No

Report: Approved for Release \_\_\_\_\_ Date: \_\_\_\_\_ Rank A B C D

(A=No Comments; B=Management Letter Comments Only; C=Control/Compliance Report(s) Comments; D=Criminal/Fraud Acts)  
 Note: For grading purposes, schedules of immaterial findings are treated as a management letter

**REPORT DISTRIBUTION**

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Clerk of Court _____	①	Board of Ethics	1
Kenner Office	1	Actuarial Section (State/Statewide Retirement Systems)	1
Shreveport Office	1	Engagement Manager (SBC's Copy)	1
District Attorney _____	1	Quality Assurance	1
Legislative Auditor (High Profile)	1	_____ Parish Government	1
Assistant Legislative Auditor (High Profile)	1	City/Village/Town of _____	1
Other (High Profile) _____	1	Other: _____	1
Press Bureau Chiefs (High Profile)	8	Other: _____	1
Press	②		
Archives	①	Distribution Approval (Initials) _____	
Legislative Audit Advisory Council	1	Copies Needed: _____ Copies TBM _____	