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*Revised*

**SABINE COUNCIL ON AGING, INC  
MANY, LOUISIANA**

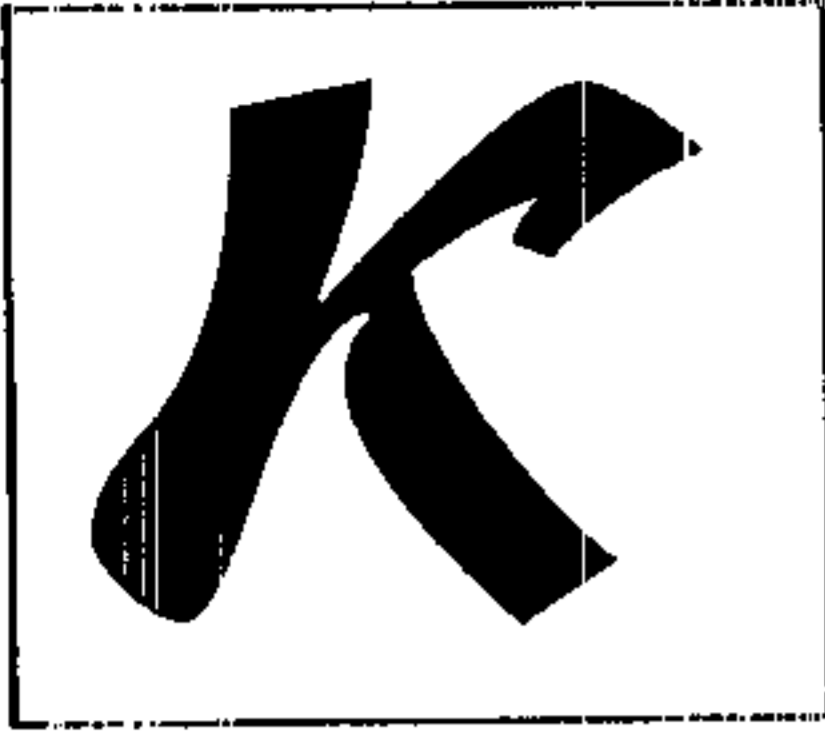
**AUDIT REPORT OF ALL FUNDS  
YEAR ENDED  
JUNE 30, 1998**

**ROLAND D. KRAUSHAAR  
CERTIFIED PUBLIC ACCOUNTANT**

**ALEXANDRIA, LOUISIANA**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 10-11-00



**Roland D. Kraushaar**

**Certified Public Accountant**

1406 Texas Avenue  
Post Office Box 12538

Alexandria, LA 71301  
Alexandria, LA 71315

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October 3, 2000

Dr. Dan G. Kyle, CPA, CFE  
Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Sabine Council on Aging, Inc.


Dear Dr. Kyle:

Please be advised that no changes were made to my reports for the years ended June 30, 1996 or 1997. Those reports stand as originally issued. The Council, however, was required by the Governor's Office of Elderly Affairs to reissue some of its internal reports and to explain the variances between its internal reports and my audit. I assisted the Council in preparing these explanations for both years so that the Governor's Office could close the files on 1996 and 1997.

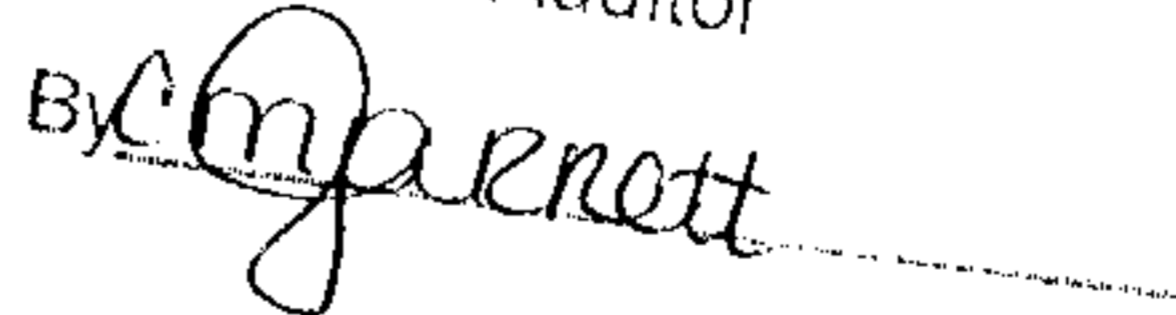
The audit for the fiscal year ended June 30, 1998, was revised to correct two schedules - the Schedule of Priority Services and the Schedule of Federal Financial Assistance.

My records indicate that these revised reports were mailed on or about September 16, 1999 and that copies were mailed to the Council and the Governor's Office of Elderly Affairs. I find no documentation in my files that states revised copies were also mailed to your office even though that should have been done in accordance with standard firm policies. Accordingly, I am enclosing six bound and one unbound copy of that report. I apologize for this possible oversight.

Respectfully,

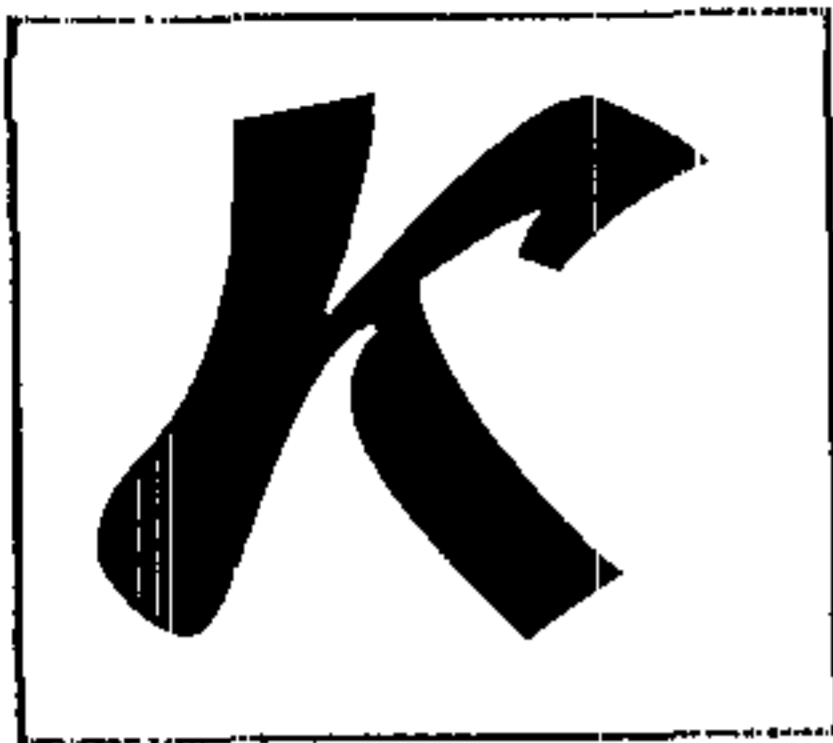
  
Roland D. Kraushaar  
Certified Public Accountant

Receipt Acknowledged  
Legislative Auditor

By 

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**Roland D. Kraushaar**  
Certified Public Accountant

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

January 21, 1999

**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying general purpose financial statements of the Sabine Council on Aging, Inc., for the year ended June 30, 1998, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Sabine Council on Aging, Inc., as of June 30, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated January 21, 1999, on my consideration of Sabine 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 performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole.

Ph: (318) 445-9855      Fax: (318) 445-9882

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



Roland D. Kraushaar  
Certified Public Accountant

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998 and 1997

	<u>GOVERNMENTAL</u>		<u>ACCOUNT GROUP</u>		<u>TOTALS</u>	
	<u>FUND TYPES</u>		<u>FIXED</u>	<u>GENERAL</u>	<u>(MEMORANDUM ONLY)</u>	
	<u>GENERAL</u>	<u>SPECIAL</u>			<u>ASSETS</u>	<u>LONG-TERM</u>
		<u>REVENUE</u>		<u>DEBT</u>		
<u>ASSETS AND OTHER DEBITS</u>						
<u>ASSETS</u>						
Cash	\$13,232	\$ -	\$ -	\$ -	\$ 13,232	\$ 1,511
Grants receivable	-	5,826	-	-	5,826	8,559
Accounts receivable	227	-	-	-	227	-
Interfund receivable	-	2,511	-	-	2,511	9,047
Prepaid expenses	13,136	-	-	-	13,136	4,564
Fixed assets	-	-	172,651	-	172,651	168,977
Other debits:						
Amount to be provided to retire long-term debt	-	-	-	8,108	8,108	9,451
Total assets	\$26,595	\$8,337	\$172,651	\$8,108	\$215,691	\$202,109
	=====	=====	=====	=====	=====	=====
<u>LIABILITIES, FUND EQUITY, OTHER CREDITS</u>						
<u>LIABILITIES</u>						
Accounts payable	-	673	-	-	673	1,211
Interfund payable	2,511	-	-	-	2,511	9,047
Note payable payables	12,574	-	-	-	12,574	10,135
Accumulated unpaid vacation	-	-	-	4,955	4,955	5,247
Capital lease obligations payable	-	-	-	3,153	3,153	4,204
Total liabilities	\$15,085	\$ 673	\$ -	\$8,108	\$ 23,866	\$29,844
<u>FUND EQUITY AND OTHER CREDITS</u>						
Fund balances:						
Reserved for:						
Utility assistance	-	789	-	-	789	-
Unreserved - undesignated	11,510	6,875	-	-	18,385	3,288
Investment in general fixed assets	-	-	172,651	-	172,651	168,977
Total fund equity and other credits	11,510	7,664	172,651	-	191,825	172,265
Total liabilities, fund equity and other credits	\$26,595	\$8,337	\$172,651	\$8,108	\$215,691	\$202,109
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

Sabine Council on Aging, Inc.  
 Many, Louisiana  
 Year Ended June 30, 1998 and 1997

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u>	
			<u>1998</u>	<u>1997</u>
<b>REVENUE</b>				
Intergovernmental	\$ 11,779	\$ 254,604	\$ 266,383	\$ 255,919
Contracted services	-	59,477	59,477	54,463
General public	<u>20,220</u>	<u>31,908</u>	<u>52,128</u>	<u>58,206</u>
Total revenue	<u>\$ 31,999</u>	<u>\$ 345,989</u>	<u>\$ 377,988</u>	<u>\$ 368,588</u>
<b>EXPENDITURES</b>				
<b>CURRENT</b>				
Salaries	\$ -	\$ 173,080	\$ 173,080	\$ 174,378
Fringe Benefits	-	17,551	17,551	20,328
Travel	-	7,860	7,860	7,804
Operating services	5,589	69,257	74,846	74,198
Operating supplies	-	15,640	15,640	15,883
Other costs	-	2,365	2,365	2,442
CAPITAL OUTLAY	-	3,674	3,674	5,174
MEALS	-	<u>67,086</u>	<u>67,086</u>	<u>70,427</u>
Total expenditures	<u>\$ 5,589</u>	<u>\$ 356,513</u>	<u>\$ 362,102</u>	<u>\$ 370,634</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u></b>	<u>\$ 26,410</u>	<u>\$ (10,524)</u>	<u>\$ 15,886</u>	<u>\$ (2,046)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Operating transfers in	\$ -	\$ 65,351	\$ 65,351	\$ 78,417
Operating transfers out	<u>(17,700)</u>	<u>( 47,651)</u>	<u>( 65,351)</u>	<u>( 78,417)</u>
Total other sources (uses)	<u>\$ (17,700)</u>	<u>\$ 17,700</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u></b>	<u>\$ 8,710</u>	<u>\$ 7,176</u>	<u>\$ 15,886</u>	<u>\$ (2,046)</u>
<b>FUND BALANCE</b>				
Beginning of year	<u>2,800</u>	<u>488</u>	<u>3,288</u>	<u>5,334</u>
End of year	<u>\$ 11,510</u>	<u>\$ 7,664</u>	<u>\$ 19,174</u>	<u>\$ 3,288</u>
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

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

	<u>GENERAL FUND</u>			<u>SPECIAL REVENUE FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUE</b>						
Intergovernmental	\$ 11,779	\$ 11,779	\$ -	\$ 270,179	\$ 254,604	\$ (15,575)
Contracted services	-	-	-	50,856	59,477	8,621
Miscellaneous	<u>10,000</u>	<u>20,220</u>	<u>10,220</u>	<u>26,569</u>	<u>31,908</u>	<u>5,339</u>
Total revenue	<u>\$ 21,779</u>	<u>\$ 31,999</u>	<u>\$10,220</u>	<u>\$ 347,604</u>	<u>\$ 345,989</u>	<u>\$ (1,615)</u>
<b>EXPENDITURES</b>						
<b>CURRENT</b>						
Salaries	\$ -	\$ -	\$ -	\$ 172,993	\$ 173,080	\$ (87)
Fringe Benefits	-	-	-	19,234	17,551	1,683
Travel	-	-	-	7,792	7,860	(68)
Operating services	-	5,589	(5,589)	67,132	69,257	(2,125)
Operating supplies	-	-	-	14,690	15,640	(950)
Other costs	-	-	-	71,744	2,365	69,379
<b>CAPITAL OUTLAY</b>	-	-	-	4,019	3,674	345
<b>MEALS</b>	-	-	-	-	67,086	(67,086)
Total expenditures	<u>\$ -</u>	<u>\$ 5,589</u>	<u>\$ (5,589)</u>	<u>\$ 357,604</u>	<u>\$ 356,513</u>	<u>\$ 1,091</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<u>\$ 21,779</u>	<u>\$ 26,410</u>	<u>\$ 4,631</u>	<u>\$ (10,000)</u>	<u>\$ (10,524)</u>	<u>\$ (524)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	\$ -	\$ -	\$ -	\$ 69,194	\$ 65,351	\$ (3,843)
Operating transfers out	<u>(21,779)</u>	<u>(17,700)</u>	<u>4,079</u>	<u>( 62,897)</u>	<u>(47,651)</u>	<u>15,246</u>
Total other sources (uses)	<u>\$ (21,779)</u>	<u>\$ (17,700)</u>	<u>\$ 4,079</u>	<u>\$ 6,297</u>	<u>\$ 17,700</u>	<u>\$ 11,403</u>
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDI- TURES AND OTHER (USES)</b>	<u>\$ -</u>	<u>\$ 8,710</u>	<u>\$ 8,710</u>	<u>\$ (3,703)</u>	<u>\$ 7,176</u>	<u>\$ 10,879</u>
<b>FUND BALANCE</b>						
Beginning of year	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>	<u>488</u>	<u>488</u>	<u>-</u>
End of year	<u>\$ 2,800</u>	<u>\$ 11,510</u>	<u>\$11,510</u>	<u>\$ (3,215)</u>	<u>\$ 7,644</u>	<u>\$ 10,879</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.



**NOTES TO FINANCIAL STATEMENTS**

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

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity:**

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of state upon approval by the Governor's Office of Elderly Affairs. The Sabine Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they provided.

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

The primary function of the Sabine Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 11 voluntary members who serve three years terms, governs the Council.

**B. Presentation of Statements:**

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

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

are recognized as generally accepted accounting principles for state and local governments.

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

C. Fund Accounting:

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

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

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

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

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

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

Title III-C Area Agency Administration Fund

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

Title III-B Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Title III C-1 Fund

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

Title III C-2 Fund

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

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

**Title III-B Supportive Services Fund**

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

**Senior Center Fund**

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

**Title III-D In-Home Services Fund**

The Title III-D In-Home Services Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

**Energy Assistance Fund**

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

## NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

### Audit Fund

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

### U.S.D.A. Fund

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

### Medicaid Fund

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

### Miscellaneous Grant Fund

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

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

**Title III-F Fund**

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

**D. Account Groups:**

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

**General Fixed Assets**

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

## NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

### E. Basis of Accounting:

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

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

### F. Transfers and Interfund Loans:

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

### G. Budget Policy:

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

1. The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.
2. The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

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

H. Comparative Data:

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



NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

since their inclusion would make the statements unduly complex and difficult to read. Total columns on the combined financial statements are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

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

The Council has classified its fixed assets as follows:

	Balance <u>6/30/98</u>
Automotive equipment	\$107,686
Furniture and equipment	39,801
Building	<u>25,164</u>
Total	\$172,651 =====

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

L. Restricted Assets:

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

M. Reservation and Designations of Fund Balances:

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

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

N. Prepaid Expenses:

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

O. Management's Use of Estimates:

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

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

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

Intergovernmental

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

Program Service Fees

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

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

NOTE 3. CASH IN BANK

At June 30, 1998, the carrying amount of the Council's deposits was as follows:

Payroll - checking	\$ 6,299
Operating - checking	<u>6,734</u>
Cash on deposit in banks	\$13,033
	=====

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
 Many, Louisiana  
 June 30, 1998  
 (Continued)

The related bank balance (collected deposits) at that date was \$32,645. All the deposits were covered by federal depository insurance. GASB Statement 3 categorizes the credit risk of these deposits as Category 1 because they are fully insured.

**NOTE 4. ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 1998, consists of the following special revenue programs

Program	<u>Funding Agency</u>	<u>Amount</u>
USDA Medicaid	GOEA Department of Health & Hospitals	\$2,646  2,793
IIIC-1	MEAC Sites	69
IIIC-2	MEAC Drivers	<u>318</u>
		<u>\$5,826</u>

**NOTE 5. CHANGES IN GENERAL FIXED ASSETS**

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

	<u>Balance</u> <u>06/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/98</u>
Furniture & Equipment	\$ 36,127	\$ 3,674	\$ -	\$ 39,801
Building	25,164	-	-	25,164
Automotive Equipment	<u>107,686</u>	<u>-</u>	<u>-</u>	<u>107,686</u>
Total General Fixed Assets	<u>\$168,977</u>	<u>\$ 3,674</u>	<u>\$ -</u>	<u>\$172,651</u>

NOTES TO FINANCIAL STATEMENTS

Sabine Council on Aging, Inc.  
Many, Louisiana  
June 30, 1998  
(Continued)

NOTE 6. BOARD OF DIRECTORS' COMPENSATION

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

NOTE 7. INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code.

NOTE 8. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 1998. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

The Council receives revenue from various Federal and State grant programs which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies.

Any settlements or expenses arising out of a final review are recognized in the period in which agreed upon by the grantor and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

NOTE 9. FEDERALLY ASSISTED PROGRAMS

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

**NOTES TO FINANCIAL STATEMENTS**

Sabine Council on Aging, Inc.  
 Many, Louisiana  
 June 30, 1998  
 (Continued)

NOTE 10. **ECONOMIC DEPENDENCY**

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

NOTE 11. **INTERFUND TRANSFERS**

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

Transferred in      Funds Transferred Out

	<u>Local</u>	<u>Special</u>	<u>Act 735</u>	<u>USDA</u>	<u>Senior</u>	<u>Total</u>
	<u>Funds</u>	<u>Grant</u>			<u>Center</u>	
III B Services	-	4,500	5,024	-	26,196	35,720
Area Agency						
Admin	-	-	2,020	-	-	2,020
C-1	-	-	692	4,976	-	5,668
C-2	5,921	-	1,393	11,979	-	19,293
III B Ombuds	-	-	412	-	-	412
Audit	-	-	2,088	-	-	2,088
IIIF	-	-	150	-	-	150
Total	<u>5,921</u>	<u>4,500</u>	<u>11,779</u>	<u>16,955</u>	<u>26,196</u>	<u>65,351</u>

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

GENERAL FUND

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

	<u>LOCAL</u>	<u>ACT 735</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ -	\$ 11,779	\$ 11,779
Public Support:			
Contracted Services	-	-	-
General Public	<u>20,220</u>	<u>-</u>	<u>20,220</u>
Total revenue	<u>\$20,220</u>	<u>\$ 11,779</u>	<u>\$ 31,999</u>
<u>EXPENDITURES</u>			
<u>CURRENT</u>			
Salaries	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-
Travel	-	-	-
Operating services	5,589	-	5,589
Operating supplies	-	-	-
Other costs	-	-	-
<u>CAPITAL OUTLAY</u>			
Total Administration And Capital Outlay Expenditures	<u>\$ 5,589</u>	<u>\$ -</u>	<u>\$ 5,589</u>
MEALS PROGRAMS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 5,589</u>	<u>\$ -</u>	<u>\$ 5,589</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$14,631</u>	<u>\$ 11,779</u>	<u>\$ 26,410</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	<u>(5,921)</u>	<u>(11,779)</u>	<u>(17,700)</u>
Total other sources (uses)	<u>\$ (5,921)</u>	<u>\$ (11,779)</u>	<u>\$ (17,700)</u>
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>\$ 8,710</u>	<u>\$ -</u>	<u>\$ 8,710</u>
<u>FUND BALANCES</u>			
Beginning of year	<u>\$ 2,800</u>	<u>\$ -</u>	<u>\$ 2,800</u>
End of year	<u>\$11,510</u> =====	<u>\$ -</u> =====	<u>\$ 11,510</u> =====





Schedule 2

TITLE III-D IN-HOME SERVICES	ENERGY ASSISTANCE	AUDIT	USDA	MEDICAID PROGRAMS	MISC. GRANT	TITLE III-F	TOTALS
\$ 2,309	\$ -	\$1,362	\$ 16,955	\$ -	\$4,500	\$3,234	\$254,604
-	-	-	-	59,477	-	-	59,477
<u>7,821</u>	<u>411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,908</u>
<u>\$10,130</u>	<u>\$ 411</u>	<u>\$1,362</u>	<u>\$ 16,955</u>	<u>\$59,744</u>	<u>\$4,500</u>	<u>\$3,234</u>	<u>\$345,989</u>
\$ 953	\$ -	\$ -	\$ -	\$41,124	\$ -	\$2,245	\$173,080
98	-	-	-	4,084	-	228	17,551
94	-	-	-	821	-	12	7,860
8,296	110	3,450	-	5,483	-	327	69,257
66	-	-	-	972	-	8	15,640
38	-	-	-	210	-	535	2,365
<u>75</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418</u>	<u>-</u>	<u>29</u>	<u>3,674</u>
<u>\$ 9,620</u>	<u>\$ 110</u>	<u>\$ 3,450</u>	<u>\$ -</u>	<u>\$53,112</u>	<u>\$ -</u>	<u>\$3,384</u>	<u>\$289,427</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,086</u>
<u>\$ 9,620</u>	<u>\$ 110</u>	<u>\$ 3,450</u>	<u>\$ -</u>	<u>\$53,112</u>	<u>\$ -</u>	<u>\$3,384</u>	<u>\$356,513</u>
<u>\$ 510</u>	<u>\$ 301</u>	<u>\$ (2,088)</u>	<u>\$ 16,955</u>	<u>\$ 6,365</u>	<u>\$4,500</u>	<u>\$ (150)</u>	<u>\$ (10,524)</u>
\$ -	\$ -	\$ 2,088	\$ -	\$ -	\$ -	\$ 150	\$65,351
<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,955)</u>	<u>-</u>	<u>(4,500)</u>	<u>-</u>	<u>(47,651)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,088</u>	<u>\$ (16,955)</u>	<u>\$ -</u>	<u>\$ (4,500)</u>	<u>\$ 150</u>	<u>\$17,700</u>
<u>\$ 510</u>	<u>\$ 301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,365</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,176</u>
<u>\$ -</u>	<u>\$ 488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>488</u>
<u>\$ 510</u>	<u>\$ 789</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,365</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 7,664</u>
<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

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

	<u>BUDGETED</u> <u>EXPENDITURES</u>	<u>ACTUAL</u> <u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>GENERAL FUND</u>			
Transfers			
Medicaid Program	1,615	-	1,615
IIIB service	8,372	-	8,372
IIIC-2	<u>13</u>	<u>5,922</u>	<u>(5,909)</u>
Total	\$ 10,000 =====	\$ 5,922 =====	\$ 4,078 =====
<u>State Of Louisiana - Act 735</u>			
Transfers			
Ombudsman	464	412	52
III F	414	150	264
IIIC-1	2,990	692	2,298
IIIC-2	3,172	1,392	1,780
Area Agency Administration	2,651	2,020	631
III B Services	-	5,025	(5,025)
Audit	<u>2,088</u>	<u>2,088</u>	<u>-</u>
Total	\$ 11,779 =====	\$ 11,779 =====	\$ - =====
<u>TITLE III-C ADMINISTRATION</u>			
Salaries	\$ 8,461	\$ 8,061	\$ 400
Fringe	956	816	140
Travel	420	347	73
Operating services	9,100	9,263	(163)
Operating supplies	617	536	81
Other costs	430	407	23
Capital outlay	<u>887</u>	<u>810</u>	<u>77</u>
Total	\$ 20,871 =====	\$ 20,240 =====	\$ 631 =====
<u>TITLE III-B OMBUDSMAN</u>			
Salaries	\$ 3,962	\$ 3,991	\$ (29)
Fringe	440	397	43
Travel	556	517	39
Operating services	475	483	( 8)
Operating supplies	-	28	(28)
Capital outlay	<u>46</u>	<u>42</u>	<u>4</u>
Total	\$ 5,479 =====	\$ 5,458 =====	\$ 21 =====
<u>SENIOR CENTER</u>			
Transfer to IIIB Service	\$ 26,196	\$ 26,196	\$ -
Total	\$ 26,196 =====	\$ 26,196 =====	\$ - =====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

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

	<u>BUDGETED</u> <u>EXPENDITURES</u>	<u>ACTUAL</u> <u>EXPENDITURES</u>	<u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u>
<u>TITLE IIIC-1 Congregate meals</u>			
Salaries	\$ 26,255	\$ 26,777	\$ (522)
Fringe	2,888	2,669	219
Travel	403	413	( 10)
Operating services	7,348	7,494	(146)
Operating supplies	429	438	( 9)
Meals	-	34,854	(34,854)
Other costs	32,531	329	32,202
Capital outlay	<u>718</u>	<u>655</u>	<u>63</u>
Total	\$ 70,572 =====	\$ 73,629 =====	\$ (3,057) =====
<u>TITLE IIIC-2 Home Delivered</u>			
Salaries	\$ 21,700	\$ 22,086	\$ (386)
Fringe	2,387	2,213	174
Travel	456	459	( 3)
Operating services	9,045	9,396	(351)
Operating supplies	2,581	2,716	(135)
Meals	-	32,232	(32,232)
Other costs	34,472	295	34,177
Capital outlay	<u>644</u>	<u>588</u>	<u>56</u>
Total	\$ 71,285 =====	\$ 69,985 =====	\$ 1,300 =====
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Salaries	\$ 69,112	\$ 67,843	\$ 1,269
Fringe	7,734	7,044	690
Travel	5,091	5,196	(105)
Operating services	24,167	24,955	(788)
Operating supplies	9,969	10,876	(907)
Other costs	3,461	530	2,931
Capital outlay	<u>1,153</u>	<u>1,057</u>	<u>96</u>
Total	\$ 120,687 =====	\$ 117,501 =====	\$ 3,186 =====
<u>TITLE III-D IN-HOME SERVICES</u>			
Salaries	\$ 1,101	\$ 953	\$ 148
Fringe	125	98	27
Travel	89	94	( 5)
Operating services	7,594	8,296	(702)
Operating supplies	89	66	23
Other costs	40	38	2
Capital outlay	<u>81</u>	<u>75</u>	<u>6</u>
Total	\$ 9,119 =====	\$ 9,620 =====	\$ (501) =====

SCHEDULE 3  
(Continued)

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

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

AUDIT ALLOTMENT

Operating services	\$ 3,450	\$ 3,450	\$ -
Total	\$ 3,450	\$ 3,450	\$ -

USDA

Transfers to Title III C-1	\$ -	\$ 4,976	\$ (4,976)
Transfers to Title III C-2	20,422	11,979	8,443
Total	\$ 20,422	\$ 16,955	\$ 3,467

MEDICAID PROGRAMS

Salaries	\$ 39,983	\$ 41,124	\$ (1,141)
Fringe	4,435	4,083	352
Travel	762	821	( 59)
Operating services	5,628	5,783	145
Operating supplies	983	972	11
Other costs	222	210	12
Capital outlay	458	418	40
Total	\$ 52,471	\$ 53,111	\$ (640)

MISCELLANEOUS

Transfer to III-B Services	\$ 4,500	\$ 4,500	\$ -
Total	\$ 4,500	\$ 4,500	\$ -

TITLE III-F

Salaries	\$ 2,419	\$ 2,245	\$ 174
Fringe	269	228	41
Travel	15	12	3
Operating services	325	327	( 2)
Operating supplies	22	7	15
Other costs	566	535	31
Capital outlay	32	29	3
Total	\$ 3,648	\$ 3,383	\$ 265

ENERGY ASSISTANCE

Operating supplies	\$ NO	\$ 110	\$ (110)
Total	BUDGET	\$ 110	\$ (110)

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

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

		\$	%GOEA GRANT
ACCESS (30%)	Assisted Transportation	\$ -	
	Case Management	7,966	
	Transportation	23,707	
	Information & Assistance	511	
	Outreach	<u>7,608</u>	
	<b>Total Access Expenses</b>	<b><u>\$ 39,792</u></b>	<b>99.8</b>
IN-HOME (15%)	Homemaker	\$ 30,948	
	Chore	-	
	Telephoning	-	
	Visiting	-	
	Adult/Daycare/Health	-	
	Personal Care	<u>-</u>	
	<b>Total In-Home Expenses</b>	<b><u>\$ 30,948</u></b>	<b>57.8</b>
LEGAL (5%)	Legal Assistance	<u>\$ 2,900</u>	5.3%
NON PRIORITY SERVICES		<u>\$ 29,882</u>	
TOTAL III B-SUPPORTIVE SERVICE EXPENDITURES		\$117,501	
	Less: Participant Contributions	(3,762)	
	Public Support	-	
	Transfers In	<u>(35,720)</u>	
III B SUPPORTIVE SERVICES GRANT		\$ 78,019	
	Less: State Homemaker and State Transportation	(23,707)	
Original Grant Amount		<b>\$ 54,312</b>	
		=====	

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS

Sabine Council on Aging, Inc.  
 Many, Louisiana  
 Fiscal Year Ended June 30, 1998  
 (With Comparative Totals)

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
<b>General fixed assets at cost:</b>				
Vans	\$107,686	\$ -	\$ -	\$107,686
Furniture and equipment	36,127	3,674	-	39,801
Building	<u>25,164</u>	<u>-</u>	<u>-</u>	<u>25,164</u>
<b>Total general fixed Assets</b>	<b>\$168,977</b> =====	<b>\$3,674</b> =====	<b>-</b> =====	<b>\$172,651</b> =====
<b>Investment in general fixed assets:</b>				
<b>Property acquired from:</b>				
Medicaid Programs	\$ 647	\$ 418	-	\$ 1,065
Title III B Ombudsman	65	42	-	107
Title III F	34	29	-	63
Title III C-1	2,916	655	-	3,571
Title III C-2	4,393	588	-	4,981
Senior Center	23,037	-	-	23,037
PCOA (Act 735)	19,438	-	-	19,438
General Funds	36,544	-	-	36,544
Title III G	929	-	-	929
Title III B Supportive Donations	49,436 19,250	1,057 -	- -	50,493 19,250
All funds	11,138	-	-	11,138
Title III C Admin.	1,031	810	-	1,841
Title III D	<u>119</u>	<u>75</u>	<u>-</u>	<u>194</u>
<b>Total investment in General fixed asset</b>	<b>\$168,977</b> =====	<b>\$ 3,674</b> =====	<b>\$ -</b> =====	<b>\$172,651</b> =====

STATEMENT OF FINDINGS AND QUESTIONED COSTS

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

SECTION I - SUMMARY OF AUDITOR'S REPORTS

Financial Statements:

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

Federal Awards

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

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

Identification of Major Programs:

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

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

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

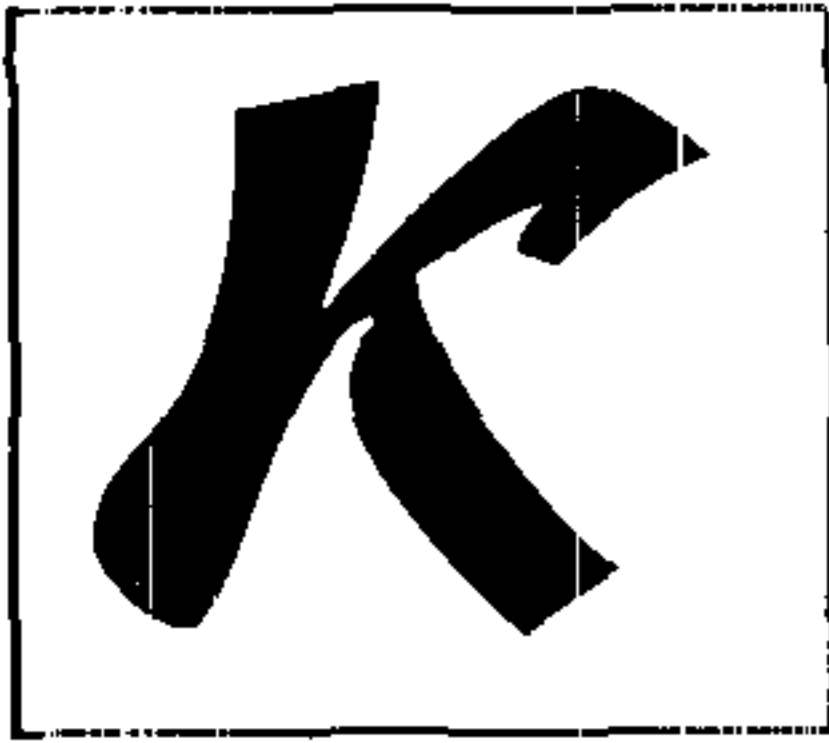
SECTION IV - STATE FINDINGS

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

Yes

**SINGLE AUDIT SECTION**





**Roland D. Kraushaar**

**Certified Public Accountant**

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

January 21, 1999

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

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

I have audited the general purpose financial statements of the Sabine Council on Aging, Inc., as of and for the year ended June 30, 1998, and have issued my report thereon dated January 21, 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 Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

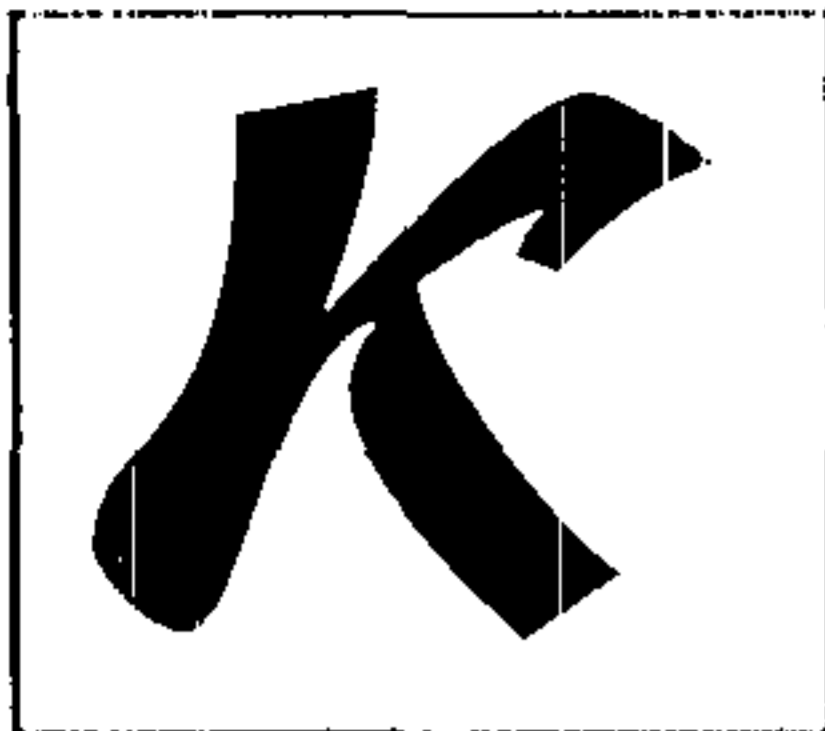
In planning and performing my audit, I considered the Council's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely

period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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



Roland D. Kraushaar  
Certified Public Accountant



**Roland D. Kraushaar**  
Certified Public Accountant

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

January 21, 1999

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

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

I have audited the compliance of the Sabine Council on Aging, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Council's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its major federal programs is the responsibility of the Council's management. My responsibility is to express an opinion on the Sabine Council on Aging, Inc.'s compliance based on my audit.

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

In my opinion, the Sabine Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

**Internal Control Over Compliance**

The management of the Sabine Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal

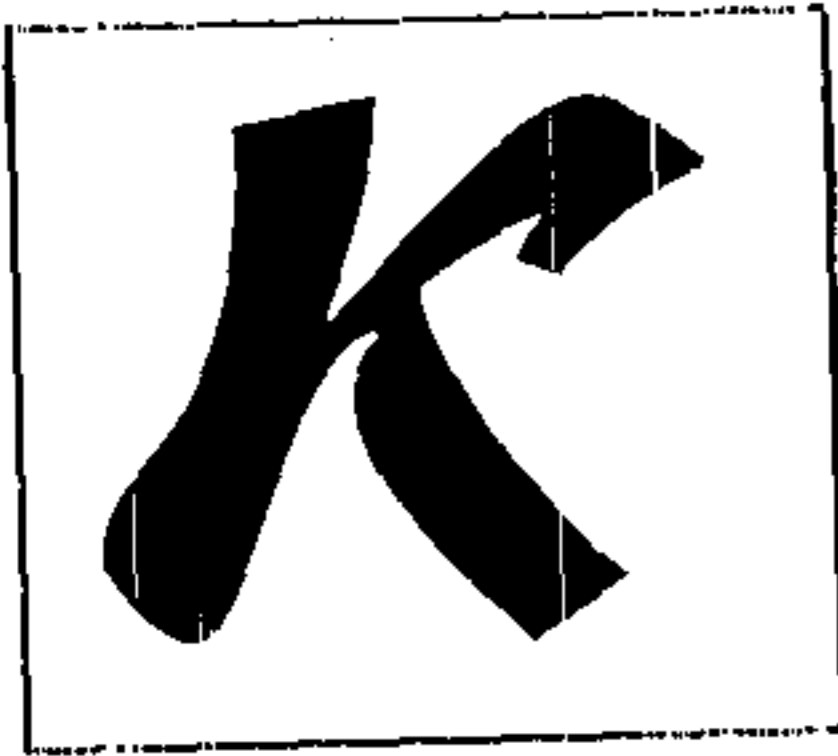
programs. In planning and performing my audit, I considered the Council's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

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



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January 21, 1999

INDEPENDENT AUDITOR'S REPORT ON  
SCHEDULE OF FEDERAL AWARDS

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

I have audited the general purpose financial statements of the Sabine Council on Aging, Inc., as of and for the year ended June 30, 1998, and have issued my report thereon dated January 21, 1999. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

Roland D. Kraushaar  
Certified Public Accountant

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

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

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>Department of Health &amp; Human Services</u>				
Passed through Louisiana Governor's Office of Elderly Affairs				
Special Programs for the Elderly:				
Title III-B Grant For Supportive Services & Senior Centers	93.044	\$ 46,165	\$ 46,165	\$ 46,165
Title III-B (Ombudsman)	93.044	<u>5,069</u>	<u>5,069</u>	<u>5,069</u>
Subtotal - CFDA #93.044		<u>51,234</u>	<u>51,234</u>	<u>51,234</u>
Title III Part C-Area Agency Admin	93.045	13,665	13,665	13,665
Title III Part C-1 Nutrition Congregate Meals	93.045	47,227	47,227	47,227
Title III Part C-2 Nutrition Home Delivered Meals	93.045	<u>24,604</u>	<u>24,604</u>	<u>24,604</u>
Subtotal - CFDA #93.045		<u>85,496</u>	<u>85,496</u>	<u>85,496</u>
Title III Part D In-Home Services For Frail Older Individuals	93.046	<u>2,242</u>	<u>1,963</u>	<u>1,963</u>
Title III Part F Disease Prevention And Health Promotion	93.043	<u>2,749</u>	<u>2,749</u>	<u>2,749</u>
Totals for U.S. Department Of Health & Human Services		<u>\$ 141,721</u>	<u>\$ 141,442</u>	<u>\$ 141,442</u>
<u>Department of Agriculture</u>				
Passed Through the Governor's Office Of Elderly Affairs				
Nutrition Programs For the Elderly	10.570	<u>25,000</u>	<u>16,955</u>	<u>16,955</u>
Total Federal Grants		<u>\$ 166,721</u> =====	<u>\$ 158,397</u> =====	<u>\$ 158,397</u> =====