

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

Accounting Controls:

- Cash receipts
- Cash disbursements
- Payroll

Administrative Controls:

General requirements:

- Political activity
- Civil rights
- Cash management
- Allowable costs
- Drug free workplace
- Administrative requirements

Specific requirements:

- Types of services
- Eligibility

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

During the year ended June 30, 1996, Ouachita Council on Aging, Inc., had no major federal financial assistance programs and expended 53% of its total federal financial assistance under the following nonmajor federal financial assistance programs.

- Title III, Part C-1
- Title III-B
- Title XIX

- Congregate Nutrition
- Supportive Services
- Adult Day Care

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

OUACHITA COUNCIL ON AGING, INC.STATEMENT OF GENERAL FIXED ASSETS  
AND CHANGES IN GENERAL FIXED ASSETS  
For the Year Ended June 30, 1996

	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
General Fixed Assets, at cost:				
Vans	\$ 172,562	\$ -	\$ -	\$172,562
Furniture and equipment	107,903	32,333	-	140,236
Leasehold Improvements	<u>60,496</u>	<u>-</u>	<u>-</u>	<u>60,496</u>
Total	<u>\$ 340,961</u>	<u>\$ 32,333</u>	<u>\$ -</u>	<u>\$ 373,294</u>
Investment in General Fixed Assets:				
Property with no reflection of source and general fund acquisitions	\$ 239,350	\$ -	\$ -	\$ 239,350
Local	-	1,923	-	1,923
UMTA	<u>101,611</u>	<u>30,410</u>	<u>-</u>	<u>132,021</u>
Total	<u>\$ 340,961</u>	<u>\$ 32,333</u>	<u>\$ -</u>	<u>\$ 373,294</u>

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

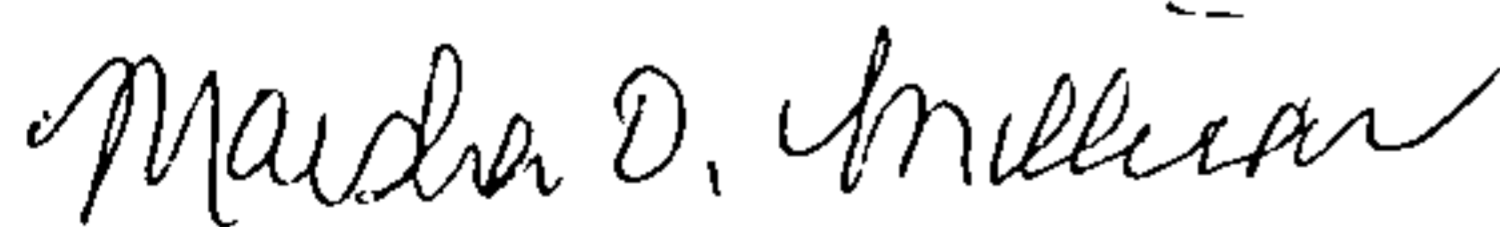
I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996.

I have applied procedures to test Ouachita Council on Aging, Inc., compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1995: political activity, civil rights, cash management, allowable costs/cost principles, drug-free workplace act, administrative requirements.

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

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

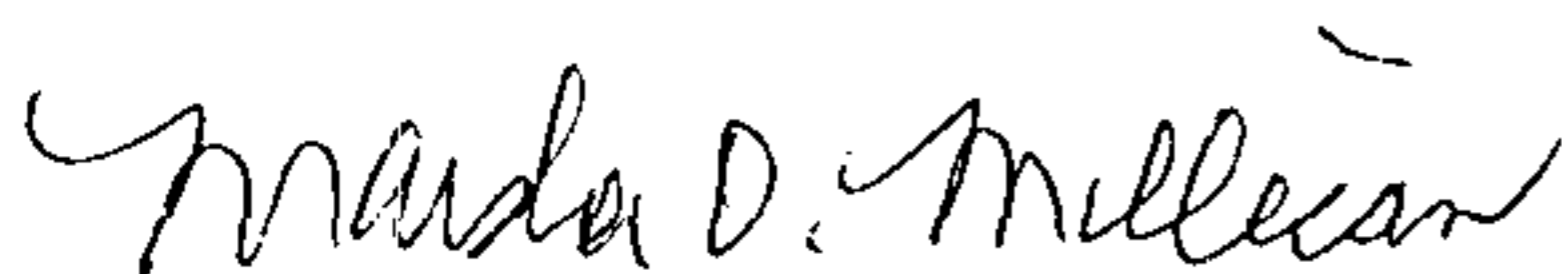
This report is intended for the information of management, the Board of Directors and the applicable federal and state cognizant agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Certified Public Accountant  
October 3, 1996

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be a material weakness as defined above.

This report is intended for the information of management, the Board of Directors and applicable state and federal cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Manda D. Mullen".

Certified Public Accountant  
October 3, 1996

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996.

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

In planning and performing my audit for the year ended June 30, 1996, I considered the Council's internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the Council's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated October 3, 1996.

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

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED  
ON AN AUDIT OF THE GENERAL PURPOSE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

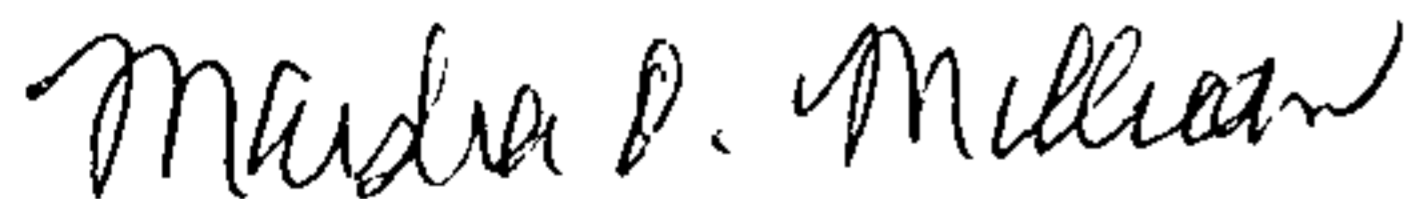
I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996.

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-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

This report is intended for the information of management, the Board of Directors and the applicable federal and state cognizant agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Certified Public Accountant  
October 3, 1996

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operation that I considered to be material weaknesses as defined above.

This report is intended for the information of management, the Board of Directors and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

*Maida D. Milligan*

Certified Public Accountant  
October 3, 1996

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996.

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-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

In planning and performing my audit of the general purpose financial statements of Ouachita Council on Aging, Inc., for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.



OUACHITA COUNCIL ON AGING, INC.

Per Diem Paid to Board Members  
For the Year Ended June 30, 1996

Per Diem paid to board members for the year ended June 30, 1996 was as follows:

Ray O. Wright

\$ 241

OUACHITA COUNCIL ON AGING, INC.Schedule of Federal Financial Assistance  
For the Year Ended June 30, 1996

<u>FEDERAL GRANTOR/ 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 and Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs Special programs for the aging:				
Title III, Part C-1 Congregate Meals	93.045	\$101,011	\$ 101,011	\$ 101,011
Title III, Part C-2 Home Delivered Meals	93.045	35,236	35,236	35,236
Title III, Part B Area Agency Administrative	93.044	28,168	28,168	28,168
Title III, Part B Supportive Services	93.044	104,887	104,887	104,887
Title IIID, In-Home Services	93.046	2,685	2,685	2,685
Title IIIF, Health Promotion	93.043	5,883	5,883	5,883
Title III, Long-Term Care Ombudsman	93.044	9,520	9,520	9,520
Title XIX, Adult Day Care	93.778	68,280	68,820	68,820
<u>Federal Emergency Management Agency</u>				
Passed through American Red Cross Emergency Food and Shelter Program				
	83.516	6,473	6,473	6,473
<u>Department of Transportation</u>				
Passed through the Louisiana Department of Transportation UMTA				
	20.500	21,287	21,287	21,287
<u>Department of Agriculture</u>				
Passed through the Louisiana Department of Education Adult Day Care Nutrition				
	10.558	7,823	7,823	7,823
Passed through the Louisiana Governor's Office of Elderly Affairs:				
USDA - cash in lieu of commodities	10.550	123,735	<u>132,468</u>	<u>132,468</u>
Total			<u>\$ 514,988</u>	<u>\$ 514,988</u>

\* The Council administered no major programs for the year ended June 30, 1996.

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996. These general purpose financial statements are the responsibility of the management of Ouachita Council on Aging, Inc. 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-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 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 Ouachita Council on Aging, Inc., taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for 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.

*Marsha O. Millican*

Certified Public Accountant  
October 3, 1996

OUACHITA COUNCIL ON AGING, INC.

Exit Conference  
June 30, 1996

The exit conference was held October 2, 1996. Those in attendance were Marsha O. Millican, CPA, Joseph Nastasi, Executive Director, David Swanner, Finance Director, and Mrs. Martha Ann Moore, Board Treasurer.

I reported to them that I did not discover any material weaknesses in internal control.

OUACHITA COUNCIL ON AGING, INC.

Corrective Action Taken on Prior Year Findings  
June 30, 1996

Prior Year Finding

Funds on deposit in financial institutions of \$39,898 were uninsured.

Management's Corrective Action

Management has taken action to ascertain that all deposits in financial institutions are collateralized by FDIC insurance or securities pledged in the name of the Council.

Prior Year Finding

Program reassessments for C-2 are not made timely. I examined 18 C-2 files and noticed that six people had not been reassessed on a timely basis.

Management's Corrective Action

Management has instituted an annual client reassessment program to ascertain that all C-2 files are reassessed on a timely basis.

OUACHITA COUNCIL ON AGING, INC.

Questioned Costs  
For the Year Ended June 30, 1996

No questioned costs were found for the year ended June 30, 1996.

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -  
General and Special Revenue Funds  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>HEALTH PROMOTION</u>			
Salaries	\$ 3,974	\$ 4,108	\$( 134)
Fringe	540	363	177
Meals	-	-	-
Travel	200	19	181
Operating services	-	-	-
Operating supplies	-	480	( 480)
Other costs	2,880	2,624	256
Capital outlay	-	-	-
Totals	<u>\$ 7,594</u>	<u>\$ 7,594</u>	<u>\$ -</u>
<u>ADULT DAY CARE</u>			
Salaries	\$ 44,318	\$ 45,084	\$( 766)
Fringe	4,990	5,104	( 114)
Meals	7,217	7,217	-
Travel	1,000	964	36
Operating services	16,373	17,667	( 1,294)
Operating supplies	3,260	3,060	200
Other costs	-	238	( 238)
Capital outlay	-	-	-
Transfers to other funds:			
Title III C-2	-	-	-
Totals	<u>\$ 77,158</u>	<u>\$ 79,334</u>	<u>\$( 2,176)</u>
<u>FEMA</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	7,133	6,477	656
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Senior Center	-	-	-
C-1	-	-	-
Totals	<u>\$ 7,133</u>	<u>\$ 6,477</u>	<u>\$ 656</u>

(Continued)

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS TRANSACTIONS

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the general purpose financial statements of Ouachita Council on Aging, Inc. for the year ended June 30, 1996, and have issued my report thereon dated October 3, 1996.

In connection with my audit of the general purpose financial statements of Ouachita Council on Aging, Inc., and with my consideration of Ouachita Council on Aging, Inc., internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," I selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Ouachita Council on Aging, Inc., compliance with these requirements. Accordingly, I do not express such an opinion.

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

This report is intended for the information of management, the Board of Directors and the applicable federal and state cognizant agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Marsha O. Millican*

Certified Public Accountant  
October 3, 1996



OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -  
General and Special Revenue Funds  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>UTILITY ASSISTANCE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Utility assistance	32,500	29,576	2,924
Totals	\$ 32,500	\$ 29,576	\$ 2,924
 <u>AUDIT</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	7,500	7,500	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Totals	\$ 7,500	\$ 7,500	\$ -
 <u>USDA</u>			
Transfer to Title III C-1	\$ 47,976	\$ 45,380	\$ 2,596
Transfers to Title III C-2	83,200	78,355	4,845
Totals	\$ 131,176	\$ 123,735	\$ 7,441
 <u>MISCELLANEOUS GRANT</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Grants to subrecipient	-	-	-
Transfer to Other Funds:			
Title III D	6,606	6,606	-
Title III C-2	7,494	7,494	-
Totals	\$ 14,100	\$ 14,100	\$ -

OUACHITA COUNCIL ON AGING, INC.

Notes to the Schedule of Federal Financial Assistance  
June 30, 1996

1. General:

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of Ouachita Council on Aging, Inc.

2. Basis of Accounting:

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the general purpose financial statements.

3. Relationship to General Purpose Financial Statements:

Federal Financial Assistance revenues are reported in the general purpose financial statements as follows:

	<u>Intergovernmental</u>
Federal Financial Assistance	\$ 514,988
State Financial Assistance	<u>425,935</u>
Total	<u>\$ 940,923</u>

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The statements and schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Ouachita Council on Aging, Inc. 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Maida D. Mellicam*

Certified Public Accountant  
October 3, 1996

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

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

The following types of programs comprise the Council's General Fund:

Local

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

United Way

United Way funds are received directly from the United Way of Northeast Louisiana. These funds are used to supplement Title III C-2 Home Delivered Fund and Title IIIB Supportive Services Fund.

PCOA (Act 735)

POCA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

UMTA

UMTA Section 16 capital grants are used to purchase vans and buses of various sizes and wheelchair lifts. The funds are strictly for capital purchases and are only available in areas where existing services are either insufficient, unavailable or inappropriate.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental units.

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 Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Ouachita 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 have provided.

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

The primary function of Ouachita Council on Aging, Inc. is to improve the quality of life for the parish's elderly as well 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 15 voluntary members who serve three-year terms, governs the Council.

C. Fund Accounting

The accounts of the Council are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -  
 General and Special Revenue Funds  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>LOCAL</u>			
Salaries	\$ 10,200	\$ 10,495	\$( 295)
Fringe	1,200	977	223
Travel	1,980	1,997	( 17)
Operating services	17,250	20,375	( 3,125)
Operating supplies	-	136	( 136)
Other costs	-	652	( 652)
Capital outlay	35,500	32,333	3,167
Transfers to other funds:			
Senior Center	1,233	1,193	40
Title III C-2	138,927	138,284	643
Title III B Supportive Services	67,765	59,174	8,591
Audit	<u>2,594</u>	<u>2,594</u>	<u>-</u>
Totals	<u>\$ 276,649</u>	<u>\$ 268,210</u>	<u>\$ 8,439</u>
<u>PCOA (ACT 735)</u>			
Salaries	-	-	-
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Title III B Supportive Services	<u>25,599</u>	<u>25,599</u>	<u>-</u>
Totals	<u>\$ 25,599</u>	<u>\$ 25,599</u>	<u>\$ -</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual - Special Revenue Funds  
For the Year Ended June 30, 1996

	Variance Favorable (Unfavorable)	Budget	Actual
<u>REVENUES:</u>			
Intergovernmental	\$ ( 9,157)	\$ 879,326	\$ 870,169
Public support	( 4,908)	156,500	151,592
Interest	479	-	479
Total revenues	<u>( 13,586)</u>	<u>1,035,826</u>	<u>1,022,240</u>
<u>EXPENDITURES:</u>			
Salaries	15,382	455,936	440,554
Fringe	4,601	52,500	47,899
Meals	3,089	427,217	424,128
Travel	338	43,539	43,201
Operating service	( 2,915)	179,683	182,598
Operating supplies	( 3,673)	27,789	31,462
Other costs	18	10,135	10,117
Capital outlay	-	-	-
Utility assistance	2,924	32,500	29,576
Grants to subrecipient	-	42,645	42,645
Total expenditures	<u>19,764</u>	<u>1,271,944</u>	<u>1,252,180</u>
Excess (deficiency) of revenues over expenditures	6,178	( 236,118)	( 229,940)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	( 16,715)	381,394	364,679
Operating transfers out	<u>7,441</u>	<u>( 145,276)</u>	<u>( 137,835)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	( 3,096)	-	( 3,096)
<u>FUND BALANCE (DEFICIT):</u>			
Beginning of year (deficit)	-	( 488)	( 488)
End of year (deficit)	<u>\$ ( 3,096)</u>	<u>\$ ( 488)</u>	<u>\$ ( 3,584)</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.Statement of Revenues, Expenditures and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual - General Fund  
For the Year Ended June 30, 1996

	Variance Favorable (Unfavorable)	Budget	Actual
<u>REVENUES:</u>			
Intergovernmental	\$ -	\$ 70,754	\$ 70,754
Public support	( 79,071)	231,494	152,423
Interest	9,899	-	9,899
Miscellaneous	53,508	-	53,508
Total revenues	( 15,664)	302,248	286,584
<u>EXPENDITURES:</u>			
Salaries	( 295)	10,200	10,495
Fringe	223	1,200	977
Travel	( 17)	1,980	1,997
Operating services	( 3,125)	17,250	20,375
Operating supplies	( 136)	-	136
Other costs	( 652)	-	652
Capital outlay	3,167	35,500	32,333
Total expenditures	( 835)	66,130	66,965
Excess (deficiency) of revenues over expenditures	( 16,499)	236,118	219,619
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	9,274	( 236,118)	( 226,844)
Excess (deficiency) of revenues and other sources over expenditures and other uses	( 7,225)	-	( 7,225)
<u>FUND BALANCE:</u>			
Beginning of year	-	238,432	238,432
End of year	<u>\$( 7,225)</u>	<u>\$ 238,432</u>	<u>\$ 231,207</u>

The accompanying notes are an integral part of this statement.



OUACHITA COUNCIL ON AGING, INC.

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

	<u>Governmental</u>		<u>Account Group</u>	<u>Totals</u>
	<u>Fund Types</u>			
	<u>General</u>	<u>Special</u>	<u>General</u>	<u>(Memorandum</u>
		<u>Revenue</u>	<u>Fixed Assets</u>	<u>Only</u> )
 <u>ASSETS</u>				
Cash and cash equivalents	\$241,173	\$ 5,842	\$ -	\$ 247,015
Contracts receivable	30,200	6,476	-	36,676
Due from other funds	15,134	-	-	15,134
General fixed assets	-	-	373,294	373,294
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$286,507</u>	<u>\$ 12,318</u>	<u>\$ 373,294</u>	<u>\$ 672,119</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 50,367	\$ 768	\$ -	\$ 51,135
Payroll taxes payable	1,533	-	-	1,533
Capital lease payable	3,400	-	-	3,400
Due to other funds	-	15,134	-	15,134
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>55,300</u>	<u>15,902</u>	<u>-</u>	<u>71,202</u>
 <u>FUND EQUITY:</u>				
Investments in general fixed assets	-	-	373,294	373,294
<u>Fund Balances:</u>				
Reserved for FEMA	-	250	-	250
Reserved for Utility Assistance	-	428	-	428
Reserved for Capital Additions	50,000	-	-	50,000
Unreserved - undesignated	181,207	( 4,262)	-	176,945
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total fund equity	<u>231,207</u>	<u>( 3,584)</u>	<u>373,294</u>	<u>600,917</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund equity	<u>\$286,507</u>	<u>\$ 12,318</u>	<u>\$ 373,294</u>	<u>\$ 672,119</u>

The accompanying notes are an integral part of this statement.

# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Ouachita Council on Aging, Inc.  
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1996. These general purpose financial statements are the responsibility of Ouachita Council on Aging, Inc., 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-128, "Audits of State and Local Governments." Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

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

In accordance with Government Auditing Standards, I have also issued a report dated October 3, 1996 on my consideration of Ouachita Council on Aging, Inc.'s internal control structure and a report dated October 3, 1996 on its compliance with laws and regulations.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Title III-B Administration Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which provides access services, legal assistance, and transportation for the elderly.

Title III - B Supportive Services Fund

Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

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 C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

(Continued)

OUACHITA COUNCIL ON AGING INC.

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OUACHITA COUNCIL ON AGING, INC.

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OUACHITA COUNCIL ON AGING, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS

June 30, 1996

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

Release Date DEC 24 1996

OUACHITA COUNCIL ON AGING, INC.

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

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<u>REVENUES:</u>			
Intergovernmental	\$ 70,754	\$ 877,466	\$ 948,220
Public support	152,423	144,957	297,380
Miscellaneous	53,508	-	53,508
Interest	9,899	479	10,378
	<u>286,584</u>	<u>1,022,902</u>	<u>1,309,486</u>
Total revenues			
<u>EXPENDITURES:</u>			
Salaries	10,495	440,554	451,049
Fringe	977	47,899	48,876
Meals	-	424,128	424,128
Travel	1,997	43,201	45,198
Operating services	20,375	182,598	202,973
Operating supplies	136	31,462	31,598
Other costs	652	10,117	10,769
Capital outlay	32,333	-	32,333
Utility assistance	-	29,576	29,576
Grants to subrecipient	-	42,645	42,645
	<u>66,965</u>	<u>1,252,180</u>	<u>1,319,145</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	219,619	( 229,278)	( 9,659)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	371,314	371,314
Operating transfers out	( 233,479)	( 137,835)	( 371,314)
Excess (deficiency) of revenues and other sources over expenditures and other uses	( 13,860)	4,201	( 9,659)
<u>FUND BALANCE:</u>			
Beginning of year	<u>238,432</u>	<u>( 488)</u>	<u>237,944</u>
End of year	<u>\$ 224,572</u>	<u>\$ 3,713</u>	<u>\$ 228,285</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -  
General and Special Revenue Funds  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>TITLE III C-1</u>			
Salaries	\$ 79,527	\$ 77,317	\$ 2,210
Fringe	9,174	8,044	1,130
Meals:			
Raw food	110,779	109,541	1,238
Non-edibles	80,220	80,561	( 341)
Travel	740	180	560
Operating services	18,115	14,076	4,039
Operating supplies	1,530	2,421	( 891)
Other costs	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Totals	\$ 300,085	\$ 292,140	\$ 7,945
 <u>SENIOR CENTER</u>			
Salaries	\$ 23,990	\$ 23,990	\$ -
Fringe	2,700	2,700	-
Meals	-	-	-
Travel	300	300	-
Operating services	18,750	18,750	-
Operating supplies	3,300	3,260	40
Other costs	-	-	-
Grants to subrecipient	42,645	42,645	-
	<hr/>	<hr/>	<hr/>
Totals	\$ 91,685	\$ 91,645	\$ 40
 <u>C-2</u>			
Salaries	\$ 121,256	\$ 112,541	\$ 8,715
Fringe	13,987	12,121	1,866
Meals:			
Raw food	132,821	131,556	1,265
Non-edibles	96,180	95,253	927
Travel	30,587	32,368	( 1,781)
Operating service	10,107	8,097	2,010
Operating supplies	2,171	3,632	( 1,461)
Other costs	-	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Totals	\$ 407,109	\$ 395,568	\$ 11,541

(Continued)





OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

TITLE III C-2 Home Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to the home-bound older persons.

USDA Fund

The USDA Fund is used to account for the administration of the Food Distribution Program fund 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 the United States food and commodities may be purchased to supplement these programs.

Title III-D Fund

The Title III-D 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. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Title III-F Fund

The Title III-F fund is used to account for funds which are designated to be used for disease prevention and health promotion activities.

FEMA

The FEMA fund is used to account for the administration of a Disaster Assistance Program designed to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency through a National Emergency Food and Shelter Board which in turn "passes through" the funds to the parish Council.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -  
General and Special Revenue Funds  
For the Year Ended June 30, 1996

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>IN-HOME SERVICE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Travel	-	-	-
Operating services	9,200	9,765	( 565)
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 9,200</u>	<u>\$ 9,765</u>	<u>\$ ( 565)</u>
<u>OMBUDSMAN</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Travel	3,163	3,163	-
Operating services	450	450	-
Operating supplies	329	329	-
Other costs	7,255	7,255	-
Capital outlay	-	-	-
Totals	<u>\$ 11,197</u>	<u>\$ 11,197</u>	<u>\$ -</u>
<u>TITLE III-B ADMINISTRATION</u>			
Salaries	\$ 22,695	\$ 22,695	\$ -
Fringe	2,629	2,629	-
Travel	994	930	64
Operating service	9,252	9,745	( 493)
Operating supplies	1,987	1,558	429
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 37,557</u>	<u>\$ 37,557</u>	<u>\$ -</u>
<u>TITLE III-B SUPPORTIVE SERVICE</u>			
Salaries	\$ 160,176	\$ 154,819	\$ 5,357
Fringe	18,480	16,938	1,542
Meals	-	-	-
Travel	6,555	5,277	1,278
Operating services	82,803	90,071	( 7,268)
Operating supplies	15,212	16,722	( 1,510)
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 283,226</u>	<u>\$ 283,827</u>	<u>\$ ( 601)</u>

(Continued)

Schedule 2

Title III-F Health Promotion	USDA	Title III-D In Home Services	FEMA	Title XIX Adult Day Care	Ombudsman	Utility Assistance Fund	Miscellaneous Grant	Total
\$ 7,594	\$ 123,735	\$ 3,159	\$ -	\$ -	\$ 11,197	\$ -	\$ -	\$ 773,493
-	-	-	-	-	-	-	14,100	14,100
-	-	-	6,473	-	-	-	-	6,473
-	-	-	-	75,577	-	-	-	75,577
-	-	-	-	7,823	-	-	-	7,823
-	-	-	-	-	-	29,236	-	29,236
-	-	-	-	-	-	-	-	115,721
-	-	-	-	384	-	95	-	479
<u>7,594</u>	<u>123,735</u>	<u>3,159</u>	<u>6,473</u>	<u>83,784</u>	<u>11,197</u>	<u>29,331</u>	<u>14,100</u>	<u>1,022,902</u>
4,108	-	-	-	45,084	-	-	-	440,554
363	-	-	-	5,104	-	-	-	47,899
-	-	-	-	7,217	-	-	-	424,128
19	-	-	-	964	3,163	-	-	43,201
-	-	9,765	6,477	17,667	450	-	-	182,598
480	-	-	-	3,060	329	-	-	31,462
2,624	-	-	-	238	7,255	-	-	10,117
-	-	-	-	-	-	29,576	-	29,576
-	-	-	-	-	-	-	-	42,645
<u>7,594</u>	<u>-</u>	<u>9,765</u>	<u>6,477</u>	<u>79,334</u>	<u>11,197</u>	<u>29,576</u>	<u>-</u>	<u>1,252,180</u>
-	123,735	( 6,606)	( 4)	4,450	-	( 245)	14,100	( 229,278)
-	-	6,606	-	-	-	-	-	371,314
-	(123,735)	-	-	( - )	-	-	( 14,100)	(137,835)
-	-	-	( 4)	4,450	-	( 245)	-	4,201
-	-	-	254	( 1,415)	-	673	-	( 488)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 3,035</u>	<u>-</u>	<u>\$ 428</u>	<u>\$ -</u>	<u>\$ 3,713</u>

OUACHITA COUNCIL ON AGING, INC.

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

	<u>Local</u>	<u>PCOA (ACT 735)</u>	<u>Totals</u>
<u>REVENUES</u>			
Intergovernmental:			
Office of elderly affairs State of Louisiana Department of Transportation	\$ 23,868	\$ 25,599	\$ 49,467
Public support:			
United Way	21,287	-	21,287
Donations	136,640	-	136,640
Miscellaneous	15,783	-	15,783
Interest	53,508	-	53,508
	<u>9,899</u>	<u>-</u>	<u>9,899</u>
Total Revenues	<u>260,985</u>	<u>25,599</u>	<u>286,584</u>
<u>EXPENDITURES</u>			
Salaries	10,495	-	10,495
Fringe	977	-	977
Travel	1,997	-	1,997
Operating services	20,375	-	20,375
Operating supplies	136	-	136
Other costs	652	-	652
Capital outlay	<u>32,333</u>	<u>-</u>	<u>32,333</u>
Total expenditures	<u>66,965</u>	<u>-</u>	<u>66,965</u>
Excess of revenues over expenditures	194,020	25,599	219,619
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	<u>(201,245)</u>	<u>( 25,599)</u>	<u>( 226,844)</u>
Excess of (deficiency) of revenues and other sources over expenditures and other uses	( 7,225)	-	( 7,225)
Beginning of year	<u>238,432</u>	<u>-</u>	<u>238,432</u>
End of year	<u>\$ 231,207</u>	<u>\$ -</u>	<u>\$ 231,207</u>

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

11. COMMITMENTS (CONTINUED)

Total rent expense for the year ended June 30, 1996 was \$5,544.

12. CAPITAL LEASE PAYABLE

The Council entered into a capital lease for purchase of a telephone system on July 1, 1994. Information regarding the lease is as follows:

	Balance <u>June 30, 1996</u>
Leasepartners - lease due in 36 monthly installments of \$328 beginning July 1, 1994; bearing interest at 12.5%	<u>\$ 3,400</u>

Future minimum lease payments including interest of \$ 218 are as follows: 1997 - \$ 3,618.

13. ECONOMIC DEPENDENCY

The Council received 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 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.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

4. IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. Several senior center/meal-site facilities were furnished to the Council without charge, for rent, and/or utilities, or for minimal monthly utility reimbursements. Other in-kind contributions consisted of the time donated by volunteer workers at senior centers and meal sites, as well as free admittance to recreational and entertainment events provided by various businesses and individuals in the parish. Although these contributions have not been reported as revenues, the offsetting expenses have not been incurred thereby producing no effect on the financial statements.

5. GRANTS RECEIVABLE

Grants receivable at June 30, 1996, are as follows:

USDA	\$ 30,200
Adult Day Care	<u>6,476</u>
Total	<u>\$ 36,676</u>

6. CHANGES IN FIXED ASSETS

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

	<u>Balance July 1, 1995</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1996</u>
Vans	\$ 172,562	\$ -	\$ -	\$ 172,562
Leasehold improvements	60,496	-	-	60,496
Furniture and equipment	<u>107,903</u>	<u>32,333</u>	<u>-</u>	<u>140,236</u>
Total	<u>\$ 340,961</u>	<u>\$ 32,333</u>	<u>\$ -</u>	<u>\$ 373,294</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost.

I. Cash and Cash Equivalents:

The Council's policy is to include short-term interest bearing deposits with cash in the financial statements.

J. Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position, 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.

2. FUNDING POLICIES AND SOURCES OF FUNDS

The Council receives its monies through various methods of funding. U.S.D.A. cash in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food costs in Title III C-1 and C-2 programs. This program is funded under the units of services provided method. The Senior Center program and State Allocation (PCOA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, and D and Elder Abuse programs are funded based on actual operating costs incurred. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Councils on Aging to the Council under the Helping Hands and Energy Programs. Title XIX programs are reimbursed on a per unit of service provided method.

3. BOARD OF DIRECTORS' COMPENSATION

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

(Continued)



OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Transfers

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 to and due from accounts.

F. Budget Policy

Budgets for the various programs are prepared by the Council's Executive Director and approved by grantor of the funds for each respective program. The budgets are prepared on a basis consistent with generally accepted accounting principles.

Actual amounts are compared to budgeted amounts periodically during the year as a management control device.

The council may transfer funds between line items as often as required but must obtain prior approval from the grantor agency for funds received from that agency.

Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

G. Compensated Absences:

No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.

H. Fixed Assets:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements  
June 30, 1996

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 1996, the carrying amount of the Council's deposits was \$ 246,915 and the bank's balance was \$331,999. The difference is due to outstanding checks at June 30, 1996. Deposits totaling \$ 233,486 are collateralized by federal deposit insurance of \$ 233,486 and deposits of \$ 98,513 are collateralized by securities held by the depository bank in the Council's name. State statutes authorize the Council to invest in United States bonds, treasury notes, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash requirements.

The Council's deposits are categorized below to give an indication of the level of risk assumed by the Council at year end.

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the Council or by its agent in the Council's name	\$ -
Category 2 Deposits collateralized with securities held by the pledging financial institution or agent in the Council's name	98,513
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department, or agent, but not in the Council's name.	-
Total	<u>\$ 98,513</u>

11. COMMITMENTS

On July 1, 1983, the Council entered into a five year lease agreement with the Carolyn Rose Strauss Rehabilitation Center, Inc. for its building facilities. In lieu of rent, the Council is obligated to pay \$250 per month for a maintenance fund and to pay all the premiums for all building insurance. The lease provides for an unlimited number of options to renew at 12 months each.

On July, 1, 1991, the Council entered into a five year lease with A. B. Dick Leasing for its risograph machine. The Council is obligated to pay \$212 per month through June 30, 1996 under this lease agreement.

(Continued)

OUACHITA COUNCIL ON AGING INC.

Notes to Financial Statements  
June 30, 1996

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Utility Assistance Fund

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

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.

Title XIX

Title XIX Funds are provided by the Louisiana State Department of Health and Hospitals directly to the Ouachita Adult Day Health Care. These funds provide day health care services for adults in lieu of institutionalization.

Miscellaneous Grant

Miscellaneous Grant Funds are appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the council. These funds are used to supplement Senior Center and Title III B Supportive Services.

D. Basis of Accounting:

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

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. All major revenues are susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

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