

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES-
ALL GOVERNMENTAL FUND TYPES**

For The Year Ended June 30, 1996

	General	Special Revenue	-----Totals----- (Memorandum only)	
	-----	-----	1996	1995
	-----	-----	-----	-----
REVENUE				
Governmental.....\$	-	\$ 2,669,266	\$2,669,266	\$2,743,369
Other:				
Energy - Project Care.....	-	20,598	20,598	11,290
Dixie Electric - Energy Fund.....	-	5,348	5,348	2,973
United Way.....	-	123,156	123,156	120,152
Interest.....	3,657	4,209	7,866	10,345
Other.....	1,265	113,544	114,809	83,144
	-----	-----	-----	-----
	4,922	2,936,121	2,941,043	2,971,273
	-----	-----	-----	-----
EXPENDITURES				
Administration:				
Salaries.....	-	129,414	129,414	131,032
Fringe benefits.....	-	37,943	37,943	37,438
Travel.....	328	6,336	6,664	9,875
Operating services.....	-	31,823	31,823	34,872
Operating supplies.....	-	2,988	2,988	3,701
Professional services.....	-	19,102	19,102	17,641
Other costs.....	1,027	1,891	2,918	37,222
Capital outlay.....	-	2,464	2,464	47
	-----	-----	-----	-----
	1,355	231,961	233,316	271,828
	-----	-----	-----	-----
Congregate Meal Program.....	-	371,211	371,211	356,103
Home Delivered Meal Program.....	-	780,943	780,943	731,965
	-----	-----	-----	-----
	-	1,152,154	1,152,154	1,088,068
	-----	-----	-----	-----
Contracted social services:				
Ascension Council on Aging, Inc.....	-	133,328	133,328	131,044
Assumption Council on Aging, Inc.....	-	103,214	103,214	110,667
Capital Area Legal Services.....	-	123,787	123,787	125,164
East Feliciana Council on Aging, Inc...	-	119,722	119,722	118,873
Iberville Council on Aging, Inc.....	-	152,112	152,112	150,188
Pointe Coupee Council on Aging, Inc....	-	123,475	123,475	124,352
St. Helena Council on Aging, Inc.....	-	90,687	90,687	98,576
Southeast La. Legal Services Corp.....	-	96,791	96,791	98,347
Tangipahoa Council on Aging, Inc.....	-	287,535	287,535	293,254
Washington Council on Aging, Inc.....	-	231,289	231,289	235,823
West Baton Rouge Council on Aging, Inc.	-	102,066	102,066	100,985
West Feliciana Council on Aging, Inc...	-	64,324	64,324	65,072
The Medical Team.....	-	2,676	2,676	2,696
	-----	-----	-----	-----
	-	1,631,006	1,631,006	1,655,041
	-----	-----	-----	-----

Continued...

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Receivables and Bad Debts

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

Fixed Assets

All fixed assets are accounted for in the General Fixed Asset account group and are stated at historical cost. No depreciation has been provided on general fixed assets.

Long-term Liabilities

Long-term liabilities, specifically, accrued compensated absences, expected to be financed from governmental funds are accounted for in the General Long-Term Debt group of accounts.

Annual and Sick Leave

GASB Statement No. 16 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Agency has recorded a liability as of June 30, 1996 for the accrued vacation for each employee at the employees' current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensation.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

The management of the Agency has estimated that the portion of its liability for accrued compensated absences to be paid from expendable available financial resources is not material. Consequently, the total amount of accrued compensation is reported in the general long-term debt account group.

Comparative Data

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Agency's financial position and operations. However, presentation of comparative data by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

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**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
INTRODUCTION AND SUMMARY**

June 30, 1996 and 1995

INTRODUCTION

The Agency received federal funds under entitlements from Titles III-B, C-1, C-2, D and Title III-F of the Older Americans Act of 1965, as amended, USDA Cash-In-Lieu of Commodities program, and Home Care for Elderly - Medicaid Waiver program. Other funds were received from the State of Louisiana under the Senior Center and Elderly Protective Services programs. Funding was also provided by Capital Area United Way, Entergy's Project Care, and Dixie Electric's Energy Fund.

SUMMARY

During the periods ended June 30, 1996 and 1995, the Agency received \$2,941,043 and \$2,971,273, respectively, to fund administrative costs and programs serving older citizens. Funding is summarized as follows:

Funding Source -----	1996 ----	1995 ----
Governor's Office of Elderly Affairs, State of Louisiana.....	\$2,669,266	\$2,743,369
Entergy - Project Care.....	20,598	11,290
Dixie Electric - Energy Fund.....	5,348	2,973
United Way.....	123,156	120,152
Interest.....	7,866	10,345
Other.....	114,809	83,144
	-----	-----
	\$2,941,043	\$2,971,273
	=====	=====

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**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**

BATON ROUGE, LOUISIANA

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 11 1996

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EID # 72-0454386

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the accompanying general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of Capital Area Agency on Aging - District II, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 1996, and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 23, 1996, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control structure and a report dated October 23, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining financial statements pages 19 - 22 and supplementary information schedules pages 23 - 27 listed in the table of contents are presented for purposes of additional analysis

Continued...

Received & Acknowledged
Legislative Auditor

By _____

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Senior Center program, Title III-B, III C-1, III C-2, III-D, Elderly Protective Services and III-F funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Home Care for Elderly - Medicaid Waiver program and Audit funds are also recognized as revenue as the related costs are incurred, and the grant reimbursement becomes available and is measurable.

U.S.D.A. funds are earned and become susceptible to accrual based upon the number of units of service provided to program participants and are recorded as revenues at that time.

The local United Way also provided funds to the Agency to support Title III C-2 and III-D Programs, and those revenues are susceptible to accrual.

Utility assistance funds are provided from public donations sponsored by various utility companies. Miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

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 classified as due from other funds or due to other funds on the balance sheet.

Budget Policy

Budgets for the various programs are prepared by the Agency's Executive Director and approved by the Agency's Board of Directors and the grantor of the funds for each respective program. Appropriations from the Governor's Office of Elderly Affairs lapse at year-end. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency 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 contracts from that agency.

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

Total Columns of the Combined Statements

Total columns on the combined 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

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

June 30, 1996

	GOVERNMENTAL		ACCOUNT GROUPS		TOTALS	
	FUND TYPES		(Memorandum only)			
	General	Special Revenue	General Fixed Assets	General Long-term debt	1996	1995
ASSETS						
Cash.....	\$ 9,995	\$ 189,925	\$ -	\$ -	\$ 199,920	\$ 345,120
Receivables on funding contracts	-	144,661	-	-	144,661	120,408
Due from subcontractors.....	-	34,445	-	-	34,445	17,589
Other assets.....	-	5,097	-	-	5,097	16,411
Office equipment.....	-	-	44,836	-	44,836	46,444
Office furniture and fixtures.....	-	-	13,294	-	13,294	13,517
Amount to be provided for retirement of long-term debt.....	-	-	-	5,571	5,571	5,696
Total assets.....	\$ 9,995	\$ 374,128	\$ 58,130	\$ 5,571	\$ 447,824	\$ 565,185

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable and accrued expenses.....	\$ -	\$ 95,928	\$ -	\$ -	\$ 95,928	\$ 110,626
Due to subcontractors.....	-	60,953	-	-	60,953	86,227
Accrued compensated absences.....	-	-	-	5,571	5,571	5,696
FUND BALANCES						
Unreserved:						
Undesignated.....	9,995	217,247	-	-	227,242	302,675
Investment in general fixed assets.....	-	-	58,130	-	58,130	59,961
Total fund balances.....	9,995	217,247	58,130	-	285,372	362,636
Total liabilities and fund balances.....	\$ 9,995	\$ 374,128	\$ 58,130	\$ 5,571	\$ 447,824	\$ 565,185

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMPARATIVE STATEMENTS OF
GENERAL FIXED ASSETS**
June 30, 1996 and 1995

	1996 -----	1995 -----
OFFICE EQUIPMENT		
Computer equipment.....	\$ 23,519	\$ 25,127
Typewriters and calculators.....	2,933	2,933
Copier and other office machines.....	18,384	18,384
	-----	-----
	44,836	46,444
	-----	-----
OFFICE FURNITURE AND FIXTURES		
Office furniture.....	8,950	9,173
Filing cabinets and bookcases.....	3,643	3,643
Miscellaneous fixtures.....	701	701
	-----	-----
	13,294	13,517
	-----	-----
TOTAL GENERAL FIXED ASSETS.....	\$ 58,130	\$ 59,961
	=====	=====
INVESTMENT IN GENERAL FIXED ASSETS:		
Title III-B.....	\$ 35,590	\$ 39,885
Title III C-1.....	12,626	10,162
State Adult Protective Services.....	9,538	9,538
Title III-F Disease Prevention/Health Promotion.....	376	376
	-----	-----
TOTAL INVESTMENT IN GENERAL FIXED ASSETS.....	\$ 58,130	\$ 59,961
	=====	=====

	General	Special Revenue	-----Totals----- (Memorandum only)	
			1996	1995
Total expenditures.....	\$ 1,355	\$ 3,015,121	\$3,016,476	\$3,014,937
Excess (deficiency) of revenue over expenditures.....	3,567	(79,000)	(75,433)	(43,664)
OTHER FINANCING SOURCES (USES)				
Operating transfers in.....	-	523,623	523,623	506,138
Operating transfers out.....	(2,489)	(521,134)	(523,623)	(506,138)
Excess (deficiency) of revenue and other sources over expenditures and other uses.....	1,078	(76,511)	(75,433)	(43,664)
FUND BALANCES				
Beginning of year.....	8,917	293,758	302,675	346,339
End of year.....	\$ 9,995	\$ 217,247	\$ 227,242	\$ 302,675

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**

For The Year Ended June 30, 1996

	Budget -----	Actual -----	Variance - Favorable (Unfavorable) -----
REVENUE			
Interest.....	\$ 500	\$ 3,657	\$ 3,157
Other.....	-	1,265	1,265
	----- 500	----- 4,922	----- 4,422
EXPENDITURES			
Administration:			
Travel.....	500	328	172
Legal.....	-	-	-
Other.....	-	1,027	(1,027)
	----- 500	----- 1,355	----- (855)
Excess of revenue over expenditures.....	-	3,567	3,567
OTHER USES			
Operating transfers in.....	-	-	-
Operating transfers out.....	(5,344)	(2,489)	2,855
Excess (deficiency) of revenue and other sources over expen- ditures and other uses.....	(5,344)	1,078	\$ 6,422
FUND BALANCES			
Beginning of year.....	8,917	8,917	
End of year.....	\$ 3,573	\$ 9,995	
	=====	=====	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUNDS**

For The Year Ended June 30, 1996

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
REVENUE			
Governmental.....	\$ 2,737,016	\$2,669,266	\$ (67,750)
Other:			
Entergy - Project Care.....	-	20,598	20,598
Dixie Electric - Energy Fund.....	-	5,348	5,348
United Way.....	120,152	123,156	3,004
Interest.....	16,912	4,209	(12,703)
Other.....	113,635	113,544	(91)
	-----	-----	-----
	2,987,715	2,936,121	(51,594)
	-----	-----	-----
EXPENDITURES			
Administration:			
Salaries.....	130,045	129,414	631
Fringe benefits.....	37,956	37,943	13
Travel.....	7,265	6,336	929
Operating services.....	32,256	31,823	433
Operating supplies.....	3,999	2,988	1,011
Professional services.....	20,252	19,102	1,150
Other costs.....	1,877	1,891	(14)
Capital outlay.....	2,549	2,464	85
	-----	-----	-----
	236,199	231,961	4,238
	-----	-----	-----
Congregate Meal Program.....	374,071	371,211	2,860
Home Delivered Meal Program.....	773,673	780,943	(7,270)
	-----	-----	-----
	1,147,744	1,152,154	(4,410)
	-----	-----	-----
Contracted social services:			
Ascension Council on Aging, Inc.....	123,154	133,328	(10,174)
Assumption Council on Aging, Inc.....	103,214	103,214	-
Capital Area Legal Services, Inc.....	123,590	123,787	(197)
East Feliciana Council on Aging, Inc.	116,192	119,722	(3,530)
Iberville Council on Aging, Inc.....	149,578	152,112	(2,534)
Pointe Coupee Council on Aging, Inc..	121,168	123,475	(2,307)

Continued...

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
Contracted social services (continued):			
St. Helena Council on Aging, Inc.....\$	89,505	\$ 90,687	\$ (1,182)
Southeast La. Legal Services Corp....	96,791	96,791	-
Tangipahoa Council on Aging, Inc.....	287,428	287,535	(107)
Washington Council on Aging, Inc.....	230,198	231,289	(1,091)
West Baton Rouge Council on Aging, Inc	97,658	102,066	(4,408)
West Feliciana Council on Aging, Inc.	62,620	64,324	(1,704)
The Medical Team.....	2,676	2,676	-
	-----	-----	-----
	1,603,772	1,631,006	(27,234)
	-----	-----	-----
Total expenditures.....	2,987,715	3,015,121	(27,406)
	-----	-----	-----
Deficiency of revenues over expenditures.....	-	(79,000)	(79,000)
OTHER FINANCING SOURCES (USES)			
Operating transfers in.....	524,952	523,623	(1,329)
Operating transfers out.....	(524,952)	(521,134)	3,818
	-----	-----	-----
Deficiency of revenue and other sources over expenditures and other uses.....	-	(76,511)	\$ (76,511)
			=====
FUND BALANCES			
Beginning of year.....	293,758	293,758	
	-----	-----	
End of year.....\$	293,758	\$ 217,247	
	=====	=====	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
NOTES TO FINANCIAL STATEMENTS**

June 30, 1996

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity

The Agency was formed in 1974 to ensure the availability of supportive, nutrition, and volunteer services to persons aged 60 and older in the ten parishes surrounding the Baton Rouge Capital area. Elderly protective services are provided in East Baton Rouge Parish and eleven surrounding parishes. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

The Agency is not classified a component unit of another primary government nor does it have any component units. It is determined to be a separate special-purpose governmental entity and presents its financial statements in a form appropriate to that classification.

Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental entities as prescribed by the GASB, and the applicable requirements set forth in 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.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(C)(3) of the Internal Revenue Code.

Fund Accounting

The accounts of the Agency are organized on the basis of funds and account groups, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The various funds and account groups presented in these financial statements are described below.

Governmental Fund Types

Governmental funds are those through which the governmental functions of the Agency are financed. The general activities of the Agency, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets and the servicing of general long term obligations are accounted for within the various governmental fund types described as follows:

General Fund - The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Account Groups

An account group is a financial reporting device designed to 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 two account groups are not "funds".

General Fixed Assets - The fixed assets used in Agency operations are accounted for in the General Fixed Asset account group and are recorded as expenditures in the government funds when acquired.

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

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, generally only current assets and current liabilities are included on the balance sheet. Operating statements reflect the increases and decreases 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.

and are not a required part of the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

L. A. Champagne & Co. L.L.P.
October 23, 1996

L.A. CHAMPAGNE & CO., L.L.P.

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EID # 72-0454386

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

The Board of Directors

Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We have also audited Capital Area Agency on Aging - District II, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and monitoring subrecipients that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. The management of Capital Area Agency on Aging - District II, Inc. is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements 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 Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Agency's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and monitoring subrecipients that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1996.

Continued...

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EXIT CONFERENCE

The exit conference was held on November 7, 1996, when a draft of the audit report was presented for review to the Agency. Those in attendance were Randal A. McDonald of L. A. Champagne & Co., L.L.P., Certified Public Accountants, James O. Blouin, Jr., Executive Director, and Shirley Merrick, Accountant for the Agency. In addition to discussing the observations made during the audit, the Agency was advised to follow up on the findings and recommendations reported to the subcontractors. This will be done as a part of the Agency's ongoing field inspection according to Mrs. Merrick.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might constitute 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 in relation 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

L. A. Champagne & Co. P.C.
October 23, 1996

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.

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

Accounting Controls

General Ledger	Receipts
Disbursements	Payroll
Property and Equipment Control	

Administrative Controls

Political Activity	Types of Services
Civil Rights	Eligibility
Reporting	Matching
Drug-free Workplace	Monitoring Subrecipients
Administrative	Allowable cost/cost principles

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

During the year ended June 30, 1996, the Capital Area Agency on Aging - District II, Inc., expended 97% of its total federal financial assistance under major federal financial assistance programs.

We 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 we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of Capital Area Agency on Aging - District II, Inc.'s, major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Continued . . .

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

The Board of Directors

Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996. We have also audited the compliance of Capital Area Agency on Aging - District II, Inc., with requirements applicable to major federal financial assistance programs and have issued our report thereon dated October 23, 1996.

We conducted our audits 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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and whether Capital Area Agency on Aging - District II, Inc., complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1996, we considered the internal control structure of Capital Area Agency on Aging - District II, Inc., in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., and on the compliance of the Agency with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated October 23, 1996.

The management of Capital Area Agency on Aging - District II, 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

Continued . . .

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EID # 72-0454386

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

The Board of Directors

Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

In connection with our audit of the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. and with our consideration of Capital Area Agency on Aging - District II, Inc.'s 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," we 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, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; reporting; monitoring subrecipients; and matching levels that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Capital Area Agency on Aging - District II, Inc.'s, compliance with these requirements. Accordingly, we 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 items not tested, nothing came to our attention that caused us to believe that Capital Area Agency on Aging - District II, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.


October 23, 1996

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS**

For The Year Ended June 30, 1996

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
TITLE III C-1 AREA AGENCY			
ADMINISTRATION			
Salaries.....	\$ 87,290	\$ 86,565	\$ 725
Fringe benefits.....	26,941	26,974	(33)
Travel.....	4,649	3,529	1,120
Operating services.....	22,664	22,031	633
Operating supplies.....	2,769	1,993	776
Professional services.....	11,878	10,911	967
Other costs.....	976	665	311
Capital outlay.....	2,549	2,464	85
	-----	-----	-----
	\$ 159,716	\$ 155,132	\$ 4,584
	=====	=====	=====
TITLE III-B SUPPORTIVE SERVICES			
Salaries.....	\$ 18,468	\$ 18,469	\$ (1)
Fringe benefits.....	5,802	5,808	(6)
Travel.....	1,917	1,916	1
Operating services.....	6,570	6,460	110
Operating supplies.....	692	448	244
Professional services.....	1,036	1,006	30
Other costs.....	344	344	-
Capital outlay.....	-	-	-
Contracted services.....	553,381	553,381	-
	-----	-----	-----
	\$ 588,210	\$ 587,832	\$ 378
	=====	=====	=====
TITLE III-F, DISEASE			
PREVENTION/HEALTH PROMOTION			
Salaries.....	\$ 12,875	\$ 12,875	\$ -
Fringe benefits.....	2,007	1,996	11
Travel.....	-	401	(401)
Operating services.....	-	8	(8)
Operating supplies.....	38	39	(1)
Professional services.....	-	-	-
Other costs.....	265	590	(325)
Capital outlay.....	-	-	-
Contracted services.....	12,601	12,601	-
	-----	-----	-----
	\$ 27,786	\$ 28,510	\$ (724)
	=====	=====	=====

Continued...

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

L. A. Champagne & Co. P.C.
October 23, 1996

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
TITLE III C-1 (CATERED MEALS AND SERVICES)			
Congregate Meal Program:			
Catered meals.....	\$ 280,421	\$ 280,421	\$ -
Catered meals - U.S.D.A. program	93,650	90,164	3,486
Contracted services.....	249,219	249,219	-
	-----	-----	-----
	\$ 623,290	\$ 619,804	\$ 3,486
	=====	=====	=====
TITLE III C-2 (CATERED MEALS AND SERVICES)			
Home-Delivered Meal Program:			
Catered meals.....	\$ 368,319	\$ 369,194	\$ (875)
Catered meals - U.S.D.A. program	290,428	296,823	(6,395)
Catered meals - United Way.....	114,926	114,926	-
Contracted services.....	265,266	265,266	-
	-----	-----	-----
	\$1,038,939	\$1,046,209	\$ (7,270)
	=====	=====	=====
TITLE III D			
Contracted services.....	\$ 11,418	\$ 11,418	\$ -
	-----	-----	-----
	\$ 11,418	\$ 11,418	\$ -
	=====	=====	=====
U.S.D.A.			
Contracted services.....	\$ 3,000	\$ 4,717	\$ (1,717)
	-----	-----	-----
	\$ 3,000	\$ 4,717	\$ (1,717)
	=====	=====	=====
SENIOR CENTER			
Contracted services.....	\$ 266,937	\$ 266,937	\$ -
	-----	-----	-----
	\$ 266,937	\$ 266,937	\$ -
	=====	=====	=====
AUDIT/MISCELLANEOUS GRANT			
Professional services.....	\$ 3,738	\$ 3,738	\$ -
Contracted services.....	38,644	38,644	-
	-----	-----	-----
	\$ 42,382	\$ 42,382	\$ -
	=====	=====	=====

Continued...

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 For The Year Ended June 30, 1996

FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUED REVENUE AT JULY 1, 1995	REVENUE RECOGNIZED	EXPENDITURES	CASH/ACCRUED REVENUE AT JUNE 30, 1996
			Beginning Balance at July 1, 1995			Ending Balance at June 30, 1996
Department of Health and Human Services						
Passed Through the Louisiana Governor's Office Of Elderly Affairs:						
Special Programs for the Aging:						
Title III-C-1 Area Agency Administration.....	93.045	\$ 101,804	-	101,804	\$ 101,804	\$ -
Title III-B Supportive Services.....	93.044	379,079	-	379,079	379,079	-
Title III C-1 Congregate Meals.....	93.045	365,064	-	365,064	365,064	-
Title III C-2 Home Delivered Meals.....	93.045	127,350	-	127,350	127,350	-
Title III-D In-Home Services.....	93.046	9,705	-	9,705	9,705	-
Title III-F - Disease Prevention and Health Promotion Services.....	93.043	21,261	-	21,261	21,261	-
Passed Through the Louisiana Department of Health and Hospitals:						
Home Care for Elderly - Medicaid Waiver Program.....	93.778	225	9,783	225	7,800	2,208
Department of Agriculture						
Passed Through the Louisiana Governor's Office of Elderly Affairs:						
U.S.D.A. - Cash-in-lieu of commodities.....	10.570	326,706	142,169	326,706	391,704	77,171
		\$ 1,331,194	\$ 151,952	\$ 1,331,194	\$ 1,403,767	\$ 79,379

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**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE**

The Board of Directors

Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996. These general purpose financial statements are the responsibility of Capital Area Agency on Aging - District II, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *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 we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Capital Area Agency on Aging - District II, 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 our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


October 23, 1996

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

The Board of Directors,
Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Capital Area Agency on Aging - District II, Inc. is the responsibility of Capital Area Agency on Aging - District II, Inc.'s management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Capital Area Agency on Aging - District II, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants as specified in the Legal Compliance Section, Parts III - XI of the "Louisiana Systems Survey and Compliance Questionnaire." The Questionnaire completed by Capital Area Agency on Aging - District II, Inc.'s management and dated September 10, 1996, was furnished to us in accordance with the instructions of the Legislative Auditor of the State of Louisiana. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.


October 23, 1996

structure. Accordingly, we do not express such an opinion.

Our 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.


October 23, 1996

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

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Capital Area Agency on Aging - District II, 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 our audit of the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control

Continued...

	Budget -----	Actual -----	Variance - Favorable (Unfavorable) -----
UNITED WAY			
Contracted services.....	\$ 5,226	\$ 5,226	\$ -
	-----	-----	-----
	\$ 5,226	\$ 5,226	\$ -
	=====	=====	=====
UTILITY RELIEF			
Contracted services.....	\$ -	\$ 25,946	\$ (25,946)
	-----	-----	-----
	\$ -	\$ 25,946	\$ (25,946)
	=====	=====	=====
ELDERLY PROTECTIVE SERVICES			
Salaries.....	\$ 11,412	\$ 11,505	\$ (93)
Fringe benefits.....	3,206	3,165	41
Travel.....	699	490	209
Operating services.....	3,022	3,324	(302)
Operating supplies.....	500	508	(8)
Professional services.....	3,600	3,447	153
Other costs.....	292	292	-
Contracted services.....	198,080	198,277	(197)
	-----	-----	-----
	\$ 220,811	\$ 221,008	\$ (197)
	=====	=====	=====
TOTAL EXPENDITURES.....	\$2,987,715	\$3,015,121	(27,406)
	=====	=====	=====

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

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated October 23, 1996.

We have applied procedures to test Capital Area Agency on Aging - District II, Inc.'s 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, 1996:

Reporting	Drug-free Workplace
Political Activity	Civil Rights
Allowable costs/cost principles	Administrative

Our 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." Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Capital Area Agency on Aging - District II, Inc.'s compliance with the requirements listed in the preceding paragraph. Accordingly, we 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 items not tested, nothing came to our attention that caused us to believe that Capital Area Agency on Aging - District II, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

L.A. Champagne & Co. L.L.P.

October 23, 1996

E: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Agency's long-term debt during fiscal year 1996.

	Balance 7-1-95	Additions	Reductions	Balance 6-30-96
	-----	-----	-----	-----
Accumulated unpaid vacation.....	\$ 5,696	\$ 9,748	\$ (9,873)	\$ 5,571
	=====	=====	=====	=====

F: FIXED ASSETS

A summary of changes to fixed assets at June 30, 1996, is as follows:

	OFFICE EQUIPMENT	OFFICE FURNITURE AND FIXTURES	TOTAL
	-----	-----	-----
Balance - beginning of year....	\$ 46,444	\$ 13,517	\$ 59,961
Additions:			
Computers and other office equipment.....	2,464	-	2,464
Office furniture.....	-	-	-
Deletions:			
Computers and other office equipment.....	4,072	-	4,072
Office furniture.....	-	223	223
Balance - end of year.....	\$ 44,836	\$ 13,294	\$ 58,130
	=====	=====	=====

G: PENSION PLAN

The agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$7,959 including administrative charges, is reported in fringe benefits for 1996.

H: LEASE COMMITMENT

The Agency entered into an operating lease agreement for its office facilities in May, 1993. The initial lease term began July 1, 1993 and expires June 30, 1997. Lease expense was \$14,808 for the year ended June 30, 1996. Future minimum lease payments total \$14,808 for June 30, 1997, under the terms of the lease.

I: INTERFUND TRANSFERS

Transfers in and out are listed by fund type for the year ended June 30, 1996:

	TRANSFERS IN	TRANSFERS OUT
	-----	-----
GENERAL FUND.....	\$ -	\$ 2,489
	-----	-----
Total General.....	-	2,489
	-----	-----
SPECIAL REVENUE FUNDS		
Title III C-1.....	109,558	-
Title III C-2.....	411,748	-
Title III-B.....	1,252	-
Title III-F.....	1,065	-
Elderly Protective Services.....	-	-
U.S.D.A. Cash.....	-	386,987
United Way.....	-	114,926
Other Restricted.....	-	19,221
	-----	-----
	523,623	521,134
	-----	-----
	\$ 523,623	\$ 523,623
	=====	=====

J: ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from 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 Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year.

K: FEDERALLY ASSISTED PROGRAMS - COMPLIANCE CONTINGENCIES

Federal and State assistance programs represent an important source of funding for the Agency. These programs are audited annually in accordance with the "Single Audit Act of 1984". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Agency management believes that further examination would not result in any significant disallowed costs.

L: SUBCONTRACTOR AUDITS

All council on aging subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with the "Single Audit Act of 1984".

M: REQUIRED INDIVIDUAL FUND DISCLOSURES

The following Special Revenue Funds had a deficiency of revenue over expenditures and other uses for the year ended June 30, 1996:

FUNDS	APPROPRIATIONS	EXPENDITURES AND OTHER USES	DEFICIENCY OF REVENUE OVER EXPENDITURES
-----	-----	-----	-----
U.S.D.A. Cash.....	\$ 326,706	\$ 391,704	\$ (64,998)
Medicaid Waiver.....	225	7,800	(7,575)
Other.....	4,478	11,421	(6,943)

The current year revenue deficiencies did not result in any deficit fund balances at June 30, 1996.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, as follows:

Title III C-1 Area Agency Administration (AAA)

The Title III C-1 Area Agency Administration (AAA) Fund accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

Title III-B Fund

The Title III-B Fund is used to account for the support services, which include access services, in-home services, community services, and transportation, for the elderly. Title III-B funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers. These funds are also used to pay for information and assistance follow-up provided by Area Agency Administration.

Title III C-1 Fund

The Title III C-1 Fund accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

Title III C-2 Funds

Title III C-2 Funds are used to provide nutritional meals to home-bound older persons. These funds are provided in the same manner as Title III-B above.

Title III-D Fund

The Title III-D Fund is used to account for funds used to provide in-home supportive services to frail and elderly persons who are home-bound. Title III-D funds are provided in the same manner as Title III-B above.

Title III-F Fund

The Title III-F Fund is used to provide disease prevention and health promotion services and information to senior centers. Priority is given to areas which are medically underserved and in areas where there are large numbers of elderly who have the greatest economic need for such services.

USDA Fund

The USDA Fund is used to account for the administration of the Food Distribution Program funds provided by the U.S. Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congregate and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

Home Care for Elderly - Medicaid Waiver Fund

The Home Care for Elderly fund is used to account for the administration of a Medicaid Waiver Program the purpose of which is to provide services for the elderly who are home-bound and in need of services similar to those provided in a nursing home. These Medicaid Waiver funds are provided by the United States Department of Health & Human Services to the Louisiana Department of Hospitals, which "passes through" the funds to the Capital Area Agency on Aging.

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 Capital Area Agency on Aging, which "passes through" the funds to the area Councils on Aging. This program provides community service centers at which older persons receive support services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community.

Audit Fund/Miscellaneous Grant

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 agency and the various councils' financial statements.

United Way

The United Way fund is used to account for funds received from the Capital Area United Way to supplement the home-delivered meals program and the Title III-D Personal Care Program.

Utility Relief

The Utility Relief fund is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency who "passes through" the funds to the various councils to provide assistance to the elderly with emergencies in the payment of energy costs.

Adult Protective Services Fund

The Adult Protective Services Fund (Elderly Protective Services) is used to account for the administration and support of the program to protect individuals sixty years of age or older who cannot physically or mentally protect themselves and who are harmed or threatened with harm through action or inaction by themselves or by individuals responsible for their care or by other parties.

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF PAYMENTS TO SUBCONTRACTORS CATEGORIZED BY FUNCTION
For The Year Ended June 30, 1996

INFORMATION AND ASSISTANCE, OUTREACH, TRANSPORTATION & CASE MGMT	LEGAL AND OTHER MISC.	SERVICES IN COMMUNITY	DISEASE PREVENTION	SENIOR CENTER OPERATIONS	HOME DELIVERED MEALS		UTILITY RELIEF	ELDERLY PROTECTIVE SERVICES	AUDIT	TOTAL	
					CONGREGATE MEALS	DELIVERED MEALS					
Ascension Council on Aging, Inc.....	\$ 4,500	\$ 2,079	\$ 4,048	\$ 1,220	\$ 31,660	\$ 18,687	\$ 27,114	\$ 10,174	\$ -	\$ 1,126	\$ 133,328
Assumption Council on Aging, Inc.....	4,500	3,535	12,304	1,000	19,635	18,986	9,445	-	-	820	103,214
Capital Area Legal Services, Inc.....	12,202	-	-	-	-	-	-	111,585	-	-	123,787
E. Feliciana Council on Aging, Inc.....	-	3,117	12,134	895	18,530	13,739	33,439	3,530	-	829	119,722
Iberville Council on Aging, Inc.....	-	10,373	11,708	1,229	24,488	29,145	29,975	2,534	-	1,285	152,112
Pointe Coupee Council on Aging, Inc.....	-	2,020	18,576	1,283	21,855	39,410	-	2,307	-	1,186	123,475
St. Helena Council on Aging, Inc.....	4,500	10,370	2,227	711	18,530	15,937	18,205	1,182	-	657	90,687
Southeast La. Legal Services Corp.....	10,099	-	-	-	-	-	-	-	86,692	-	96,791
Tangipahoa Council on Aging, Inc.....	4,500	1,746	16,586	2,841	56,562	53,639	51,034	107	-	2,729	287,535
The Medical Team.....	-	-	2,676	-	-	-	-	-	-	-	2,676
Washington Council on Aging, Inc.....	4,500	14,559	9,839	2,043	38,617	35,168	62,394	-	-	1,887	231,289
W. B. R. Council on Aging, Inc.....	4,500	3,974	610	590	18,530	15,627	28,611	4,408	-	546	102,066
W. Feliciana Council on Aging, Inc.....	-	912	1,133	789	18,530	8,881	9,140	1,704	-	579	64,324
TOTAL	\$ 49,301	\$ 52,685	\$ 91,841	\$ 12,601	\$ 266,937	\$ 249,219	\$ 269,357	\$ 25,946	\$ 198,277	\$ 11,644	\$ 1,631,006

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
COMBINING STATEMENT OF PROGRAM REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS

For The Year Ended June 30, 1996

	SPECIAL REVENUE FUNDS										TOTAL	
	FEDERAL PROGRAMS			STATE PROGRAMS			OTHER PROGRAMS					
TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-F	TITLE U.S.D.A. CASH	MEDICAID WAIVER	SENIOR CENTER	MISC GRANT	ELDERLY PROTECTIVE	UNITED WAY	UTILITY RELIEF	OTHER	
REVENUE												
Governmental:												
Federal grants passed through Governor's Office of Elderly Affairs.....	\$ 101,804	\$ 379,079	\$ 365,064	\$ 127,350	\$ 9,705	\$ 21,261	\$ 326,706	\$ 225	\$ -	\$ -	\$ -	\$ 1,330,969
Other federal.....	33,935	207,501	164,576	393,836	1,713	6,184	-	266,937	42,382	221,008	-	1,338,072
State of Louisiana.....												
Other:												
Energy - Project Care....	-	-	-	-	-	-	-	-	-	20,598	-	20,598
Dixie Electric - Energy Fund.....	-	-	-	-	-	-	-	-	-	5,348	-	5,348
United Way.....	-	-	-	-	-	-	-	-	123,156	-	-	123,156
Interest.....	-	-	-	-	-	-	-	-	-	-	4,209	4,209
Other.....	-	-	-	113,275	-	-	-	-	-	-	269	113,544
	135,739	586,580	529,640	634,461	11,418	27,445	326,706	225	266,937	42,382	221,008	2,936,121
EXPENDITURES												
Administration:												
Salaries.....	86,565	18,469	-	-	-	12,875	-	-	-	-	11,505	129,414
Fringe benefits.....	26,974	5,808	-	-	-	1,996	-	-	-	-	3,165	37,943
Travel.....	3,529	1,916	-	-	-	401	-	-	-	-	490	6,336
Operating services.....	22,031	6,460	-	-	-	8	-	-	-	-	3,324	31,823
Operating supplies.....	1,993	448	-	-	-	39	-	-	-	-	508	2,988
Professional services.....	10,911	1,006	-	-	-	-	-	3,738	-	-	3,447	19,102
Other costs.....	665	344	-	-	-	590	-	-	-	-	292	1,891
Capital outlay.....	2,464	-	-	-	-	-	-	-	-	-	-	2,464
	155,132	34,451	-	-	-	15,909	-	3,738	-	-	22,731	231,961
CATERED MEALS - MEALS PROGRAM												
Contracted social services:												
Ascension Council on Aging, Inc.....	-	37,743	18,687	27,114	1,104	1,220	-	5,626	-	10,174	-	133,328
Assumption Council on Aging, Inc.....	-	48,024	18,986	9,445	804	1,000	-	5,320	-	-	-	103,214
Capital Area Legal Services, Inc.....	-	12,202	-	-	-	-	-	-	-	-	111,585	123,787

Continued...

B: CASH

The Agency's cash at June 30, 1996 is categorized below to give an indication of the level of risk assumed by the Agency at year end. Category 1 includes cash that is insured or registered, or otherwise secured by securities held by the Agency or its agent in the Agency's name. Category 2 includes uninsured and unregistered cash secured with securities held by the counter party's trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered cash secured with securities held by the counter party or by its trust department or agent but not in the Agency's name.

In accordance with GASB 3, Category 3 includes certificates of deposit or money market accounts that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Agency's name although balances so collateralized meet the requirements of state law. All amounts shown in Category 3 are collateralized by securities held by the pledging financial institution but not in the Agency's name.

	-----Category-----			Bank
	1	2	3	Balance
Cash.....	\$ 100,000	\$ -	\$ 220,064	\$ 320,064
Total cash.....	\$ 100,000	\$ -	\$ 220,064	\$ 320,064
	=====	=====	=====	=====

C: CONTRACTS RECEIVABLE

Contracts receivable at June 30, 1996, consist of the following:

Source	Amount
U.S.D.A.....	\$ 83,083
United Way.....	61,578

	\$ 144,661
	=====

D: BOARD OF DIRECTORS' COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses. These reimbursements were \$1,395 in 1996.

	TITLE III C-1 AAA	TITLE III C-1	TITLE III C-2	TITLE III-D	TITLE III-F	U.S.D.A. CASH	MEDICAID WAIVER	SENIOR CENTER	AUDIT/ MISC GRANT	ELDERLY PROTECTIVE	UNITED WAY	UTILITY RELIEF	OTHER	TOTAL
Contracted social services (continued)														
E. Feliciano Council on Aging, Inc.	\$ 47,947	\$ 13,739	\$ 33,439	\$ 813	\$ 895	\$ -	\$ 18,530	\$ 829	\$ -	\$ -	\$ 3,530	\$ -	\$ -	\$ 119,722
Iberville Council on Aging, Inc.	62,195	29,145	29,975	1,261	1,229	-	24,488	1,285	-	-	-	2,534	-	152,112
Pointe Coupee Council on Aging, Inc.	51,045	39,410	-	1,163	1,283	-	21,855	1,186	-	-	5,226	2,307	-	123,475
St. Helena Council on Aging, Inc.	30,321	15,937	18,205	644	711	-	18,530	5,157	-	-	-	1,182	-	90,687
Southeast La. Legal Services Corp.	10,099	-	-	-	-	-	-	-	-	86,692	-	-	-	96,791
Tangipahoa Council on Aging, Inc.	116,123	53,639	51,034	-	2,841	-	56,562	7,229	-	-	-	107	-	287,535
Washington Council on Aging, Inc.	84,829	35,168	58,303	1,851	2,043	4,091	38,617	6,387	-	-	-	-	-	231,289
W. B. R. Council on Aging, Inc.	28,719	15,627	28,611	535	590	-	18,530	5,046	-	-	-	4,408	-	102,066
W. Feliciano Council on Aging, Inc.	24,134	8,881	9,140	567	789	-	18,530	579	-	-	-	1,704	-	64,324
The Medical Team	-	-	-	2,676	-	-	-	-	-	-	-	-	-	2,676
Total expenditures	155,132	587,832	619,804	11,418	28,510	4,717	266,937	42,382	198,277	221,008	5,226	25,946	-	3,015,121
Excess (deficiency) of revenue over expenditures	(19,393)	(1,252)	(90,164)	(411,748)	(1,065)	321,989	225	-	-	-	117,930	-	4,478	(79,000)
OTHER FINANCING SOURCES (USES):														
Operating transfers in	19,394	1,252	90,164	411,748	1,065	-	-	-	-	-	-	-	-	523,623
Operating transfers out	-	-	-	-	-	(386,987)	(7,800)	-	-	-	(114,926)	-	(11,421)	(521,134)
	19,394	1,252	90,164	411,748	1,065	(386,987)	(7,800)	-	-	-	(114,926)	-	(11,421)	2,489
Excess (deficiency) of revenue and other sources over expenditures and other uses	1	-	-	-	-	(64,998)	(7,575)	-	-	-	3,004	-	(6,943)	(76,511)
FUND BALANCES														
Beginning of year	-	-	-	-	-	142,169	9,783	-	-	-	120,152	-	21,654	293,758
End of year	1	\$ -	\$ -	\$ -	\$ -	\$ 77,171	\$ 2,208	\$ -	\$ -	\$ -	\$ 123,156	\$ -	\$ 14,711	\$ 217,247