

● Special Revenue Funds - (continued)

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center Program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II, Inc. 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.

Beginning in fiscal year 1996, most of the operating costs for this program were accounted for within the Title III B Fund. The Senior Center Fund receives the revenue and pays for the cost of operating the community service centers by transferring some of its revenue to the Title III B Fund.

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1995. St. Helena Council on Aging, Inc. was one of the parish councils to receive a special grant of \$4,500 to be used as supplemental funds to operate its senior center program. The Governor's Office of Elderly Affairs provided these funds to the Council through the Capital Area Agency on Aging - District II, Inc.

Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The council receives its DEMCO funds through the Capital Area Agency on Aging. Helping Hands and Heating Help funds are provided through the Louisiana Association of Councils on Aging, Inc.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 13, 1996.

I have applied procedures to test St. Helena Council on Aging, Inc.'s compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1996:

General Requirements

- Political activity
- Civil rights
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace
- 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 the St. Helena Council on Aging, Inc.'s, compliance with the requirements listed in the preceding paragraph. Accordingly, I do not express such an opinion.

d. Account Group: - (continued)

General Fixed Assets

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

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. However, principal and interest payments on long-term liabilities (capital lease obligations) are accounted for in the General Fund because the Council intends to use General Fund revenues to pay them. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

e. Basis of Accounting:

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 management focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

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

● Special Revenue Funds - (continued)

Audit Fund

The Audit Fund is used to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II Inc., 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 III-F Fund

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

d. Account Group:

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".

c. Fund Accounting: (continued)

● Special Revenue Funds - (continued)

Title III C-1 Congregate Meals Fund

The Title III C-1 Congregate Meals Fund is used to account for funds which 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 via the Capital Area Agency on Aging - District II, Inc., and are allocated to provide nutritional congregate meals to the elderly in strategically located centers. During the year, the Council served about 16,600 meals to people eligible to participate in the program.

Title III C-2 Home Delivered Meals Fund

The Title III C-2 Home Delivered Meals Fund is used to account for funds which 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 via the Capital Area Agency on Aging - District II, Inc., and are allocated to provide nutritional meals to the home-bound older person. During the year, the Council served about 33,100 meals to people eligible to participate in this program.

Title III-D Fund

The Title III-D Fund is used to account for funds which are used to provide in-home services to the frail and elderly person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. 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 via the Capital Area Agency on Aging - District II, Inc.

c. Fund Accounting: (continued)

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

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

● General Fund

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

The following programs comprise the Council's General Fund:

Local

Funds received from various local sources, such as; allocations from the St. Helena Parish Police Jury, donations from the general public, program service fees, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. These funds are not restricted to any special use and may be used at the Council's discretion. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

PCOA - (Act 735)

PCOA (Act 735) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Louisiana Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion.

b. Presentation of Statements:

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

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

c. Fund Accounting:

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

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

NOTES TO FINANCIAL STATEMENTS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1996

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The St. Helena Council on Aging, Inc. is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose some additional requirements.

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

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

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 89,505	\$ 89,505	\$ -
Public support	<u>13,941</u>	<u>15,732</u>	<u>1,791</u>
Total revenues	<u>103,446</u>	<u>105,237</u>	<u>1,791</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	72,430	72,592	(162)
Fringe	11,435	11,438	(3)
Travel	21,887	18,840	3,047
Operating services	8,059	7,334	725
Operating supplies	2,302	2,369	(67)
Other costs	5,359	5,031	328
Meals	-	-	-
Capital outlay	-	-	-
Utility assistance	<u>-</u>	<u>1,630</u>	<u>(1,630)</u>
Total expenditures	<u>121,472</u>	<u>119,234</u>	<u>2,238</u>
Excess of revenues over (under) expenditures	(18,026)	(13,997)	4,029
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	44,014	40,218	(3,796)
Operating transfers out	<u>(25,988)</u>	<u>(25,991)</u>	<u>(3)</u>
Excess of revenues and other sources over (under) expenditures and other uses	-	230	\$ 230 =====
<u>FUND BALANCES</u>			
Beginning of year	<u>25</u>	<u>25</u>	
End of year	\$ 25 =====	\$ 255 =====	

The accompanying notes are an integral part of this statement.

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Intergovernmental	\$ 11,779	\$ 12,779	\$ 1,000
Public support	-	100	100
Interest income	-	241	241
Program service fees	-	238	238
	<u>11,779</u>	<u>13,358</u>	<u>1,579</u>
Total revenues			
<u>EXPENDITURES</u>			
Current:			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	45	(45)
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	330	(330)
Meals	-	-	-
Capital outlay	399	2,340	(1,941)
Debt service	-	332	(332)
	<u>399</u>	<u>3,047</u>	<u>(2,648)</u>
Total expenditures			
Excess of revenues over (under) expenditures	11,380	10,311	(1,069)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	-	-	-
Operating transfers out	(18,026)	(14,227)	3,799
Proceeds from capital lease obligation	-	2,340	2,340
	<u>-</u>	<u>2,340</u>	<u>2,340</u>
Excess of revenues and other sources over (under) expenditures and other uses	(6,646)	(1,576)	\$ 5,070 =====
<u>FUND BALANCES (DEFICIT)</u>			
Beginning of year	<u>6,821</u>	<u>6,821</u>	
End of year	\$ 175 =====	\$ 5,245 =====	

The accompanying notes are an integral part of this statement.

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

With Comparative Totals for the Year Ended June 30, 1995

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only) 1996</u>	<u>1995</u>
REVENUES				
Intergovernmental	\$ 12,779	\$ 89,505	102,284	110,694
Public support	100	15,732	15,832	15,172
Interest income	241	-	241	253
Program service fees	238	-	238	666
Miscellaneous income	-	-	-	711
In-kind contributions	-	-	-	1,800
	<u>13,358</u>	<u>105,237</u>	<u>118,595</u>	<u>129,296</u>
EXPENDITURES				
Current:				
Salaries	-	72,592	72,592	74,159
Fringe	-	11,438	11,438	12,930
Travel	45	18,840	18,885	20,704
Operating services	-	7,334	7,334	8,254
Operating supplies	-	2,369	2,369	2,120
Other costs	330	5,031	5,361	5,005
Meals	-	-	-	677
Capital outlay	2,340	-	2,340	1,032
Debt service	332	-	332	-
Utility assistance	-	1,630	1,630	1,019
In-kind expense	-	-	-	1,800
	<u>3,047</u>	<u>119,234</u>	<u>122,281</u>	<u>127,700</u>
Excess of revenues over (under) expenditures	10,311	(13,997)	(3,686)	1,596
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	40,218	40,218	21,717
Operating transfers out	(14,227)	(25,991)	(40,218)	(21,717)
Proceeds from capital lease obligation	2,340	-	2,340	-
	<u>(1,576)</u>	230	<u>(1,346)</u>	1,596
FUND BALANCES				
Beginning of year	<u>6,821</u>	<u>25</u>	<u>6,846</u>	<u>5,250</u>
End of year	\$ 5,245 =====	\$ 255 =====	\$ 5,500 =====	\$ 6,846 =====

The accompanying notes are an integral part of this statement.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1996

With Comparative Totals for the Year Ended June 30, 1995

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	1996	1995
<u>ASSETS AND OTHER DEBITS</u>						
Assets:						
Cash	\$ 3,237	\$ 1,457	\$ -	\$ -	\$ 4,694	\$ 2,150
Grants and contracts receivable	-	4,835	-	-	4,835	7,306
Accounts receivable	-	-	-	-	-	265
Due from special revenue fund	2,016	-	-	-	2,016	5,703
Restricted assets:						
Cash	-	255	-	-	255	25
Fixed assets	-	-	11,410	-	11,410	9,070
other debits:						
Amount to be provided to retire long-term debt	-	-	-	2,094	2,094	-
Total assets and other debits	\$ 5,253	\$ 6,547	\$ 11,410	\$ 2,094	\$ 25,304	\$ 24,519
<u>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</u>						
Liabilities:						
Accounts payable	\$ 8	\$ 4,276	\$ -	\$ -	\$ 4,284	\$ 2,900
Due to general fund	-	2,016	-	-	2,016	5,703
Long-term debt:						
Capital lease obligation	-	-	-	2,094	2,094	-
Total liabilities	8	6,292	-	2,094	8,394	8,603
Fund Equity and Other Credits:						
Fund balances:						
Reserved	-	255	-	-	255	25
Unreserved - undesignated	5,245	-	-	-	5,245	6,821
Investment in general fixed assets	-	-	11,410	-	11,410	9,070
Total fund equity and other credits	5,245	255	11,410	-	16,910	15,916
Total liabilities, fund equity and other credits	\$ 5,253	\$ 6,547	\$ 11,410	\$ 2,094	\$ 25,304	\$ 24,519

The accompanying notes are an integral part of this statement.

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

Neil G. Ferrari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

ST. HELENA COUNCIL ON AGING

P.O. BOX 324
GREENSBURG, LOUISIANA 70441
TELEPHONE 504/222-6070

September 1, 1996

Legislative Auditor
State of Louisiana
Baton Rouge, La.

Dear Sir:

In regard to the Findings and Recommendations made for the St. Helena Council on Aging we present the following.

Finding I: The Director and Clerk will review the input with output of the Documents done by the Bookkeeper.

Finding II: The Director will compare input with output and will follow up on anything unusual.

The Clerk will begin learning the application on the computer in case of an emergency.

Computer Training will be provided to Mrs. Henry and Mrs. Blades whenever possible.

I thank you for your attention.

Sincerely yours,


Reed R. Meadors,
Director

RRM:jb

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 my attention that caused me to believe that the St. Helena Council on Aging, Inc., Greensburg, Louisiana, had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed some immaterial instances of noncompliance with those requirements which are more fully discussed on pages 54 to 55 of this report.

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

Neil G. Ferrari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

i. Fixed Assets: - (continued)

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

Donated assets represent \$1,800 of the year end total for fixed assets.

j. Comparative Data:

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

k. Annual and Sick Leave:

The Council's annual and sick leave policy does provide for the accumulation and vesting of leave. However, an employee cannot be paid for any accumulated but unused leave upon termination of employment. As a result, the Council has not accrued any costs relating to unused leave in the financial statements.

l. Related Party Transactions:

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

m. Reservation and Designations of Fund Balances:

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

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. There were not any designations of fund balances as of June 30, 1996.

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

Neil H. Fenari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

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PHONE (504) 272-1177

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

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 13, 1996.

I conducted my 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 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 St. Helena Council on Aging, Inc., Greensburg, Louisiana is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the 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, my objective 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 that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of noncompliance that I have discussed with and reported to the management of St. Helena Council on Aging, Inc., Greensburg, Louisiana, during our exit conference on August 13, 1996. I have documented those matters that were discussed on pages 54 to 55 of this report.

A reportable condition was noted as follows:

The Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data into the computer from these source documents, and (3) reviewing the system output. The data is not reviewed by anyone other than the bookkeeper before or after processing.

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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. This condition was considered in my audit of the financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, for the year ended June 30, 1996.

The Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data into the computer from these source documents, and (3) reviewing the system output. The data is not reviewed by anyone other than the bookkeeper before or after processing.

I noted other matters involving the internal control structure and its operation that I reported to the management of St. Helena Council on Aging, Inc., Greensburg, Louisiana, during our exit conference on August 13, 1996. I have documented those matters that were discussed on pages 54 to 55 of this report.

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

Neil B. Fenari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

ole condition was noted as follows:

s bookkeeper is responsible for (1) preparing some of
1 source documents, (2) entering data into the computer
source documents, and (3) reviewing the system output.
s not reviewed by anyone other than the bookkeeper before
processing.

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.

My consideration of the internal control structure would not
necessarily disclose all matters in the internal control structure
that might be reportable conditions and, accordingly, would not
necessarily disclose all reportable conditions that are also
considered to be material weaknesses as defined above. However, I
noted the following matter involving the internal control structure
and its operation that I consider to be a material weakness as
defined above. This condition was considered in my audit of the
financial statements of St. Helena Council on Aging, Inc.,
Greensburg, Louisiana, for the year ended June 30, 1996.

The Council's bookkeeper is responsible for (1) preparing some of
the original source documents, (2) entering data into the computer
from these source documents, and (3) reviewing the system output.
The data is not reviewed by anyone other than the bookkeeper before
or after processing.

I noted other matters involving the internal control structure
and its operation that I reported to the management of St. Helena
Council on Aging, Inc., Greensburg, Louisiana, during our exit
conference on August 13, 1996. I have documented those matters
that were discussed on pages 54 to 55 of this report.

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

Neil B. Furani, CPA

Baton Rouge, Louisiana,
August 13, 1996.

- Specific requirements:
 - Types of services allowed or unallowed
 - Eligibility
 - Matching, level of effort, or earmarking and allowability of amounts claimed or used for matching
 - Federal financial reports and claims for advances and reimbursements
 - Cost allocation
 - Voluntary contributions by participants

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, St. Helena Council on Aging, Inc., Greensburg, Louisiana, had no major federal financial assistance programs and expended 52.5% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

Title III-C	\$21,914
	=====

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 general requirements, specific requirements, requirements governing claims for advances and reimbursements, and amounts claimed or used 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.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the St. Helena Council on Aging, Inc.'s ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

The management of St. Helena Council on Aging, Inc., Greensburg, Louisiana 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.

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:

- Cash balances
- Grants, public support, program service fees, other revenues, and receivables
- Property and equipment
- Accounts payable
- Fund balances
- Expenditures for goods and services
- Payroll expenses and related liabilities
- Government financial assistance programs:
 - General requirements:
 - Political activity
 - Civil rights
 - Federal financial reports
 - Allowable costs/cost principles
 - Drug-free Workplace Act
 - Administrative requirements

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4

BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana as of and for the year ended June 30, 1996, and have issued my report thereon dated August 13, 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 internal control structure of St. Helena Council on Aging, Inc., Greensburg, Louisiana 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 August 13, 1996 (see page 3).

The Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data into the computer from these source documents, and (3) reviewing the system output. The data is not reviewed by anyone other than the bookkeeper before or after processing.

I noted other matters involving the internal control structure and its operation that I reported to the management of St. Helena Council on Aging, Inc., Greensburg, Louisiana, during our exit conference on August 13, 1996. I have documented those matters that were discussed on pages 54 to 55 of this report.

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

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

In planning and performing my audit of the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, 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.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

A reportable condition was noted as follows:

The Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data into the computer from these source documents, and (3) reviewing the system output. The data is not reviewed by anyone other than the bookkeeper before or after processing.

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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matter involving the internal control structure and its operation that I consider to be a material weakness as defined above. This condition was considered in my audit of the financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, for the year ended June 30, 1996.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 13, 1996.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of St. Helena Council on Aging, Inc., Greensburg, Louisiana, 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 accordance with Government Auditing Standards, I have also issued a report (see page 3) dated August 13, 1996, on my consideration of St. Helena Council on Aging, Inc.'s internal control structure and a report (see page 10) dated August 13, 1996, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana, taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
August 13, 1996.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

144B1 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

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

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 13, 1996.

In connection with my audit of the general purpose financial statements of St. Helena Council on Aging, Inc., Greensburg, Louisiana, and with my consideration of the Council's 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; eligibility; matching, level of effort, or earmarking and allowability of amounts claimed or used for matching; federal financial reports and claims for advances and reimbursements; cost allocations; and voluntary contributions by participants. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Council's 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 items not tested, nothing came to my attention that caused me to believe that St. Helena Council on Aging, Inc., Greensburg, Louisiana, had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed some immaterial instances of noncompliance with those requirements which are more fully discussed on pages 54 to 55 of this report.

Schedule 3
continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>TITLE III C-1 ADMINISTRATION</u>			
Salaries	\$ 2,250	\$ 2,222	\$ 28
Fringe	372	397	(25)
Travel	232	193	39
Operating services	541	497	44
Operating supplies	96	109	(13)
Other costs	621	879	(258)
Meals	-	-	-
Capital outlay	-	-	-
	\$ 4,112	\$ 4,297	\$ (185)
Totals	\$ 4,112	\$ 4,297	\$ (185)
 <u>TITLE III C-1 SERVICES</u>			
Salaries	\$ 9,906	\$ 9,905	\$ 1
Fringe	1,531	1,350	181
Travel	-	-	-
Operating services	-	-	-
Operating supplies	500	385	115
Other costs	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
Transfers out to:			
Title III B	3,975	76	3,899
Title III C-2	2,392	4,647	(2,255)
Title III F	40	1,907	(1,867)
Title III D	-	50	(50)
	\$ 18,344	\$ 18,320	\$ 24
Totals	\$ 18,344	\$ 18,320	\$ 24
 <u>TITLE III C-2</u>			
Salaries	\$ 20,884	\$ 21,382	\$ (498)
Fringe	3,310	3,003	307
Travel	11,641	11,728	(87)
Operating services	1,309	1,162	147
Operating supplies	232	254	(22)
Other costs	1,504	1,237	267
Meals	-	-	-
Capital outlay	-	-	-
Full service	-	-	-
	\$ 38,880	\$ 38,766	\$ 114
Totals	\$ 38,880	\$ 38,766	\$ 114

c. Fund Accounting: (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 Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which 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 via the Capital Area on Aging - District II, Inc. This program provides outreach, case management, material aid, home repair, transportation, recreation, and information and referral services to the elderly.

Title III C-1 Administrative Fund

The Title III C-1 Administrative Fund is used to account for the administration of the Special Programs for the Aging. Title III C-1 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 via the Capital Area Agency on Aging - District II, Inc., and are allocated to fund administrative costs associated with operating the Title III and Senior Center programs.

IMMATERIAL INSTANCES OF NONCOMPLIANCE WITH LAWS,
REGULATIONS, CONTRACTS, AND GRANTS

1. The Council is not reassessing its C-1 and C-2 program participants. I noted several instances where this had not been done during the year. Further, when making the assessments on the C-2 participants, the file documentation should clearly state why the person is qualified to receive a home delivered meal instead of a congregate meal.
2. Occasionally the monthly reports to CAAA are not filed on time. Although it did not happen in fiscal year 1996, CAAA could withhold its monthly payment to the Council. The Council operates on a very tight cash flow.
3. Fixed assets should be tagged and the tag number recorded in the fixed asset subledger. This is not being done.

OTHER RECOMMENDATIONS FOR MANAGEMENT TO CONSIDER

1. The Council's standard operating hours are 8:00 a.m. to 4:30 p.m. It is important to have employees do their work within this time frame unless extra hours are necessary for a special reason. In those cases, prior approval from the director should be requested.
2. Occasionally, an employee may work more hours in a week than he or she is required. The employees are recording all hours worked which could result in inadvertent error in payroll processing or produce labor law violations. I recommend that once the employee has worked the budgeted hours, no further hours be recorded on the timesheet.
3. Remind employees to be as descriptive as possible in filling out travel reimbursement reports. To eliminate unnecessary writing in some cases, I recommend using a standard route description. This will make it simple to fill out the reports. Deviation from the standard route should be documented.

Mr. Meadors acknowledged my findings and recommendations and stated that he would evaluate how to implement them. There were not any disagreements with the Council's management during the audit.

No separate management letter was issued as a result of the audit. I have considered my discussions at this exit conference and the discussions about the current and prior year findings in this report as sufficient information for the board of directors.

Recommendation #3: I noted from my review of timesheets that there were occasions when administrative staff would record more than 8 hours per work day. In other words, the person would work after normal hours. I recommend all Council employees attempt to get their work done within the normal working hours. Any overtime should be requested and approved by the director before it is worked. There may be occasions where this is required. Otherwise, the Council might inadvertently violate wage and hour laws.

Corrective
Action:

I recommended this again in fiscal year 1996.

Corrective

Action:

There were not any similar occurrences in 1996.

Finding #2:

The current year's fixed asset additions had not been tagged. This need to be done.

Corrective

Action:

Fixed assets are still not being tagged and notations are not being made of tag numbers in the fixed asset subledger.

RECOMMENDATIONS TO IMPROVE THE INTERNAL CONTROL STRUCTURE
AND PREVENT FUTURE INSTANCES OF NONCOMPLIANCE

Recommendation #1: Fixed assets or Council property should not be loaned out to any entity or person unrelated to the Council's business. There were some tables damaged during the year as a result of this occurring. The Council might incur an unwanted liability in cases like this. It is the management's responsibility to safeguard council assets.

Corrective

Action:

No instances occurred in fiscal year 1996.

Recommendation #2: The time involved, usually 2-3 hours, to complete the Medicaid waiver applications may result in the cost and effort being greater than the benefit received (\$14 per application). I recommend you evaluate this area and, if you decide to continue to do this service, do not allow it to take priority over the Council's primary programs and services.

Corrective

Action:

I reminded the Council's director again this year about the importance of prioritizing daily services and duties.

Corrective

Action:

There was one instance noted where an employee had been paid \$7.77 too much as a travel reimbursement but the employee quit before restitution could be made.

Finding #5:

Vergie Womack's total miles submitted on travel reports varied significantly when I compared reports at the beginning and end of the year. July, 1994, reports showed an average of 50 to 63 miles per day to run her meal route while June, 1995, reports showed 72 to 84 miles per day to run similar routes. I find this odd because my understanding is her route has not changed very much, if at all. I recommend you drive her route and actually measure the mileage to determine the accuracy of her travel reports.

Corrective

Action:

The Council's director drove this route to determine the proper mileage. This matter has been corrected.

Finding #6:

There were several fixed asset write-offs during the year which resulted from your staff trying to clean up the fixed asset subledger. These write-offs, and those in the future, should be approved by your board of directors and documented in the minutes. The write-offs made for fiscal year 1995 appeared logical to me.

Corrective

Action:

There were not any write offs in fiscal year 1996.

IMMATERIAL INSTANCES OF NONCOMPLIANCE WITH LAWS,
REGULATIONS, CONTRACTS, AND GRANTS

Finding #1:

Actual costs exceeded the budgeted amounts plus 10% in a few instances but there were ample local funds transferred into those programs to compensate for the excess costs. You should monitor actual costs versus budgeted costs more closely and amend the Council's budget as necessary.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1996

During the exit conference at the end of last year's audit I reported to the Council's director several minor weaknesses in the internal control structure; immaterial instance of noncompliance with laws, regulations, contracts, and grants; and recommendations. Here below are those items and the corrective actions, if any, that was taken.

MINOR WEAKNESSES IN THE INTERNAL CONTROL STRUCTURE

- Finding #1: The Council's fixed asset subsidiary schedule had not been fully updated.
- Corrective
Action: The subsidiary schedule had not been fully updated again this year.
- Finding #2: The contributions collected by Edgar Morris in the C-2 program are not consistent. There were five months where he did not collect any money according to your monthly reports. You need to monitor his collections and determine what has been going on.
- Corrective
Action: Similar instances were noted in fiscal year 1996. Management monitored Morris' collections but still had trouble attaining satisfactory levels of contributions. Thus, the meal route was discontinued July 1, 1996.
- Finding #3: Annual leave forms should be attached to related timesheets in all cases. This was not being done.
- Corrective
Action: We did not find any instances where this occurred again, but reminded management to be alert to this happening.
- Finding #4: Mileage logs should be checked thoroughly before reimbursing employees. I noted a couple of minor errors in the sample of travel reimbursements I examined.

Recommendation:

The Council's director should compare input with output. He should review the output for reasonableness and follow up on anything he feels is unusual. Someone else besides Florence needs to learn how to use the critical applications on the computer, such as, payroll and cash disbursements, just in case she gets sick or is on vacation. Finally, the Council should emphasize computer training for all administrative persons, especially Florence, to improve skills and reduce reliance on CAAA.

FINDINGS AND RECOMMENDATIONS - CURRENT YEAR

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

REPORTABLE CONDITIONS - MATERIAL WEAKNESS IN THE
INTERNAL CONTROL STRUCTURE

Criteria: The internal control structure of any organization should be designed to include the following:

- (1) Provide for an appropriate segregation of duties.
- (2) Provide for appropriate reviews and approvals of transactions, accounting entries, and systems output.

Finding: During the year the Council began processing all accounting applications on a computer system. Florence Henry is responsible for (1) preparing some of original source documents, (2) entering data from these source documents, and (3) reviewing the system output. Data is not reviewed by anyone other than Florence before or after processing. This was Florence's first year of experience in using a computer system. These matters indicate a material weakness in the Council's internal control structure design.

Cause: The Council's administrative staff only consists of three people, one (Florence Henry) of which is skilled in the accounting area. No one has any previous computer experience.

Effect: There were not any material errors that occurred which affected the financial statements. During the year, Florence consulted with Shirley Merrick at Capital Area Agency on Aging (CAAA) when problems arose. Shirley's assistance helped to prevent significant errors from occurring.

QUESTIONED COSTS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

<u>Findings/Non-compliance</u>	<u>Program</u>	<u>Questioned Costs</u>
There were not any findings noted during the audit which resulted in questioned costs.		

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services					
Passed through the Governor's Office of Elderly Affairs: Special Programs for the Aging:					
Title III B-Supportive Services	93.044	06/30/96	\$ 18,720	\$ 18,720	\$ 18,720
Title III C-Area Agency Administration	93.045	06/30/96	4,056	4,056	4,056
Title III C-1-Congregate Meals	93.045	06/30/96	10,989	10,989	10,989
Title III C-2-Home Delivered Meals	93.045	06/30/96	6,869	6,869	6,869
Subtotal CFDA #93.045			21,914	21,914	21,914
Title III D-In-Home Services	93.046	06/30/96	547	547	547
Title III F - Disease Prevention and Health Promotion	93.043	06/30/96	551	551	551
Totals for U.S. Department of Health and Human Services			41,732	41,732	41,732
Total federal grants			\$ 41,732	\$ 41,732	\$ 41,732

The above programs are all nonmajor. St. Helena Council on Aging, Inc. had no major programs during fiscal year 1996.

Note A - Basis of Accounting - The accompanying Schedule of Federal Financial Assistance has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general purpose financial statements.

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS AND CHANGES IN
GENERAL FIXED ASSETS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

	<u>Balance June 30, 1995</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1996</u>
General fixed assets, at cost:				
Office furniture and equipment	\$ 8,151	\$ -	\$ -	\$ 8,151
Nutrition equipment	696	-	-	696
Building improvements	223	-	-	223
Property leased under capital lease:				
Office equipment	<u>-</u>	<u>2,340</u>	<u>-</u>	<u>2,340</u>
Total general fixed assets	<u>\$ 9,070</u>	<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 11,410</u>
Investment in general fixed assets:				
Property acquired prior to 7/1/81**	\$ 3,165	\$ -	\$ -	\$ 3,165
Property acquired with funds from -				
Title III B	359	-	-	359
Title III C-1	215	-	-	215
Title III C-2	1,058	-	-	1,058
Title III D	9	-	-	9
Title III F	2,054	-	-	2,054
Senior Center	187	-	-	187
General funds and local donations	<u>2,023</u>	<u>2,340</u>	<u>-</u>	<u>4,363</u>
Total investment in general fixed assets	<u>\$ 9,070</u>	<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 11,410</u>

**Records reflecting source from which assets were acquired were not maintained prior to 7-1-81.

f. **Transfers and Interfund Loans:**

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

g. **Budget Policy:**

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

- The Capital Area Agency on Aging - District II, Inc. (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- The Council's executive director prepares a proposed budget based on the funding levels provided by CAAA and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before June 30 of the current year for the next fiscal year.
- The adopted budget is forwarded to CAAA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Schedule 3
continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>TITLE III-D</u>			
Salaries	\$ 608	\$ 618	\$ (10)
Fringe	84	93	(9)
Travel	13	11	2
Operating services	30	28	2
Operating supplies	6	6	-
Other costs	154	156	(2)
Meals	-	-	-
Capital outlay	-	-	-
	-----	-----	-----
Totals	\$ 895	\$ 912	\$ (17)
	=====	=====	=====
 <u>TITLE III F</u>			
Salaries	\$ 5,097	\$ 4,816	\$ 281
Fringe	1,031	984	47
Travel	98	79	19
Operating service	227	201	26
Operating supplies	41	44	(3)
Other costs	261	214	47
	-----	-----	-----
Totals	\$ 6,755	\$ 6,338	\$ 417
	=====	=====	=====
 <u>SENIOR CENTER</u>			
Operating services	4,106	3,719	387
Transfers out to: Title III B	14,424	14,811	(387)
	-----	-----	-----
Totals	\$ 18,530	\$ 18,530	\$ -
	=====	=====	=====
 <u>UTILITY ASSISTANCE (*)</u>			
DEMCO	\$ -	\$ 1,092	\$ (1,092)
Helping Hands	-	297	(297)
Heating Help	-	241	(241)
	-----	-----	-----
Totals	\$ -	\$ 1,630	\$ (1,630)
	=====	=====	=====

(*) Budget not legally required

g. Budget Policy: - (continued)

- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was only one budget amendment during the year. It was effective March 1, 1996. The budget amendment was approved by the Council's Board of Directors and by Capital Area Agency on Aging, Inc. using a similar procedure as the approval of the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the Capital Area Agency on Aging District II, Inc. and the Governor's Office of Elderly Affairs for funds received under contracts from these agencies.
- Expenditures cannot legally exceed appropriations on an individual fund level.

h. 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.

i. Fixed Assets:

Assets which cost at least \$250 or which have an estimated useful life of greater than one year are capitalized as fixed assets.

SCHEDULE OF EXPENDITURES - BUDGET VS. ACTUAL

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>LOCAL</u>			
Travel	\$ -	\$ 45	\$ (45)
Other costs	-	330	(330)
Capital outlay	399	2,340	(1,941)
Debt service	-	332	(332)
Transfers to other programs:			
Title III F	4,695	2,411	2,284
Title III C-2	1,552	-	1,552
Title III D	-	37	(37)
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Totals	\$ 6,646	\$ 5,495	\$ 1,151
	<u>=====</u>	<u>=====</u>	<u>=====</u>
 <u>PCOA - ACT 735</u>			
Transfers to other programs:			
Title III B	\$ 6,067	\$ 6,067	\$ -
Title III C-2	4,365	4,365	-
Title III D	81	81	-
Title III F	1,266	1,266	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Totals	\$ 11,779	\$ 11,779	\$ -
	<u>=====</u>	<u>=====</u>	<u>=====</u>
 <u>TITLE III B - SUPPORTIVE SERVICES</u>			
Salaries	\$ 33,685	\$ 33,649	\$ 36
Fringe	5,107	5,611	(504)
Travel	9,903	6,829	3,074
Operating services	1,846	1,727	119
Operating supplies	1,427	1,571	(144)
Other costs	2,819	1,888	931
Meals	-	-	-
Capital outlay	-	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>
Totals	\$ 54,787	\$ 51,275	\$ 3,512
	<u>=====</u>	<u>=====</u>	<u>=====</u>

SPECIAL REVENUE FUNDS

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

REVENUES	Title III C-1						Totals				
	Title III-B	Adm. Services	Title III C-2	Title III-D	Title III-E	Senior Center		Utility Assistance	Audit	Miscellaneous Grant	
Intergovernmental:											
Capital Area Agency on Aging - District II, Inc.(CAAA)	\$ 30,321	\$ 4,297	\$ 11,640	\$ 18,205	\$ 644	\$ 711	\$ 18,530	\$ -	\$ 657	\$ 4,500	\$ 89,505
Public Support:											
LPA Helping Hands(via LACOA)	-	-	-	-	-	-	-	605	-	-	605
DEMCO(via CAAA)	-	-	-	-	-	-	-	1,255	-	-	1,255
Client contributions	-	-	4,136	7,092	100	-	-	-	-	-	11,328
St. Helena Parish Hospital	-	-	2,544	-	-	-	-	-	-	-	2,544
Total revenues	30,321	4,297	18,320	25,297	744	711	18,530	1,960	657	4,500	105,237
EXPENDITURES											
Current:											
Salaries	33,649	2,222	9,905	21,382	618	4,816	-	-	-	-	72,592
Fringe	5,611	397	1,350	3,003	93	984	-	-	-	-	11,438
Travel	6,829	193	-	11,728	11	79	-	-	-	-	18,840
Operating services	1,727	497	-	1,162	28	201	3,719	-	-	-	7,334
Operating supplies	1,571	109	385	254	6	44	-	-	-	-	2,369
Other costs	1,888	879	-	1,237	156	214	-	-	657	-	5,031
Meals	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Utility assistance	-	-	-	-	-	-	-	1,630	-	-	1,630
Total expenditures	51,275	4,297	11,640	38,766	912	6,338	3,719	1,630	657	-	119,234
Excess of revenues over (under) expenditures	(20,954)	-	6,680	(13,469)	(168)	(5,627)	14,811	230	-	4,500	(13,997)
OTHER FINANCING SOURCES (USES)											
Operating transfers in	20,954	-	-	13,469	168	5,627	-	-	-	-	40,218
Operating transfers out	-	-	(6,680)	-	-	-	(14,811)	-	-	(4,500)	(25,991)
Excess of revenues and other sources over (under) expenditures and other uses	-	-	-	-	-	-	-	230	-	-	230
FUND BALANCE (DEFICIT)											
Beginning of year	-	-	-	-	-	-	-	25	-	-	25
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255	\$ -	\$ -	\$ 255

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1996

	Programs of the General Fund		<u>Totals</u>
	<u>Local</u>	<u>PCOA (Act 735)</u>	
<u>REVENUES</u>			
Intergovernmental:			
Office of Elderly Affairs	\$ -	\$ 11,779	\$ 11,779
St. Helena Parish Police Jury	1,000	-	1,000
Public support	100	-	100
Interest income	241	-	241
Program service fees:			
Medicaid enrollment	238	-	238
 Total revenues	<u>1,579</u>	<u>11,779</u>	<u>13,358</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	-	-	-
Fringe	-	-	-
Travel	45	-	45
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	330	-	330
Meals	-	-	-
Capital outlay	2,340	-	2,340
Debt Service:			
Principal retirement	246	-	246
Interest	86	-	86
 Total expenditures	<u>3,047</u>	<u>-</u>	<u>3,047</u>
 Excess of revenues over (under) expenditures	 (1,468)	 11,779	 10,311
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	-	-	-
Operating transfers out	(2,448)	(11,779)	(14,227)
Proceeds from capital lease obligation	2,340	-	2,340
 Excess of revenues and other sources over (under) expenditures and other uses	 (1,576)	 -	 (1,576)
<u>FUND BALANCES</u>			
Beginning of year	<u>6,821</u>	<u>-</u>	<u>6,821</u>
End of year	<u>\$ 5,245</u> =====	<u>\$ -</u> =====	<u>\$ 5,245</u> =====

SUPPLEMENTARY FINANCIAL INFORMATION

Note 15 - Interfund Loans

Because the Council operates most of its programs under actual cost and unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1996, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	<u>\$ 2,016</u>	<u>\$ -</u>
Special Revenue Funds:		
Title III B	-	874
Title III C-1	-	621
Title III C-2	-	500
Title III D	<u>-</u>	<u>21</u>
Total special revenue funds	<u>-</u>	<u>2,016</u>
Total all funds	<u>\$ 2,016</u> =====	<u>\$ 2,016</u> =====

Note 16 - Economic Dependency

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

Note 17 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur.

Note 12 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council as of June 30, 1996. The Council's management believes that any potential lawsuits would be adequately covered by insurance.

Note 13 - Federally Assisted Programs

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs, however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent that they would materially affect the Council's financial position.

Note 14 - Interfund Transfers

Operating transfers in and out are listed by fund for 1996:

	Operating Transfers <u>In</u>	Operating Transfers <u>Out</u>
General Fund	\$ -	\$(14,227)
Special Revenue Funds:		
Title III B	20,954	-
Title III C-1	-	(6,680)
Title III C-2	13,469	-
Title III D	168	-
Title III F	5,627	-
Senior Center	-	(14,811)
Miscellaneous Grant	-	(4,500)
Total special revenue funds	<u>40,218</u>	<u>(25,991)</u>
Total all funds	<u>\$ 40,218</u>	<u>\$ 40,218</u>

Note 9 - Income Tax Status

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

Note 10 - Lease Commitments

The Council has no operating leases. However, during fiscal year 1996, the Council entered into a lease-purchase agreement for a new copy machine. Terms of this lease are as follows:

<u>Monthly Payment</u>	<u>Number of months</u>	<u>Date Payment Began</u>	<u>Imputed Interest Rate</u>	<u>Purchase Option</u>
\$66.53	36	02-23-96	10.73%	\$300

Future minimum payments, by year and in the aggregate, under the capital lease are as follows as of June 30, 1996:

<u>Fiscal year ended</u>	<u>Total</u>
06-30-97	\$ 798
06-30-98	798
06-30-99	<u>766</u>
Total minimum lease payments remaining	2,362
Less imputed interest	<u>(268)</u>
Present value of minimum lease payments	<u>\$2,094</u> =====

Note 11 - Changes in Long-Term Debt

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

	<u>Balance 07-01-95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-96</u>
Capital lease obligation	\$ -	\$ 2,340	\$ (246)	\$ 2,094
	=====	=====	=====	=====

Note 8 - Retirement Plan

On July 1, 1985, The Council adopted the St. Helena Council on Aging, Inc. Pension Plan. This plan is a defined contribution pension plan which requires that the Council contribute 5% of each participating employee's gross wages each month. All employees age 21 and older with one year of service are eligible for participation in the plan. Benefits are fully and immediately vested from the first date an employee participates. Participants are not required to contribute to the plan. During fiscal year 1996 the Council was required to and did contribute \$2,045 to the pension plan for its eligible employees. This contribution covered \$40,697 of payroll costs for eligible employees. Total payroll costs for all employees was \$72,592. The Council is the plan administrator but receives guidance from Mutual of America Life Insurance Company in handling this responsibility. Plan amendments can be made at the discretion of the Council's board of directors.

If a participant terminates his employment he will receive retirement income beginning at age 65 or earlier retirement date, if elected, based on the employer contributions made for him prior to his termination of employment, including any investment earnings on such contributions.

All contributions are presently being made to a general account comprised primarily of high yielding bonds. The principal is guaranteed and is credited with interest at a rate subject to review and change by Mutual of American Life Insurance Company, the investment company. Such contributions are currently earning interest at approximately 4.75%.

As an investment alternative, contributions could be made to a pooled common stock fund similar to a mutual fund. Any investments made to this fund will result in participants sharing in the investment income and realized and unrealized gains and losses of the fund and, for this reason, investment experience will make the value of their accounts go up or down.

On December 27, 1988, the plan received an approved determination letter from the Internal Revenue Service under Section 401(a) of the Internal Revenue Code.

Note 5 - Changes in Fixed Assets

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

<u>Asset Category</u>	<u>Balance</u> <u>07-01-95</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-96</u>
Office furniture & equipment	\$ 8,151	\$ -	\$ -	\$ 8,151
Nutrition equipment	696	-	-	696
Building improvements	223	-	-	223
Property leased under capital lease: Office equipment	<u>-</u>	<u>2,340</u>	<u>-</u>	<u>2,340</u>
Totals	<u>\$ 9,070</u>	<u>\$ 2,340</u>	<u>\$ -</u>	<u>\$ 11,410</u>

Note 6 - In-Kind Contributions

The Council received various in-kind contributions during the year. The Council does not present as revenue or expense the value of these contributions in the financial statements because their values could not be clearly and objectively determined.

The primary in-kind contributions consisted of free rent and utilities for the Council's main office, Montpelier, Greensburg, and Morgan Hills senior centers; two drivers paid by Title V funds; custodial services paid by the St. Helena Police Jury; and labor from several volunteers of the local community serving clients at the meal sites and delivering meals.

Note 7 - Board of Directors' Compensation

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

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Public Support, and Miscellaneous Revenues - (continued)

Program Service Fees

The Council generates program service fees by completing Medicaid applications for people who want to receive services under that program. The Council receives a fee based upon a pre-established rate. Those revenues are recorded at the time the services are provided.

Public Support and Miscellaneous Revenues

Public support revenues are derived from the Council's efforts to encourage and provide opportunities to program participants to contribute money or food stamps to help offset the costs of the Title III B, C-1, and C-2 programs. Utility assistance funds are provided from public donations under the DEMCO and LP&L Helping Hands programs.

Note 3 - Cash

At June 30, 1996, the carrying amount of the Council's cash balance was \$4,949 and the related bank balance was \$9,687. All of the bank balance was covered entirely by federal depository insurance.

Note 4 - Grants and Contracts Receivable

Grants and contracts receivable at June 30, 1996, consisted of reimbursements for units of service provided or costs incurred under the following programs:

<u>Programs</u>	<u>Fund</u>	<u>Amount</u>	<u>Grantor/ Contractor</u>
Title III B	Special Revenue	\$2,170	CAAA
Title III C-1	Special Revenue	716	CAAA
Title III C-1	Special Revenue	848	St. Helena Parish Hospital
Title III C-2	Special Revenue	1,053	CAAA
Title III D	Special Revenue	<u>48</u>	CAAA
Total		<u>\$4,835</u> =====	

n. Restricted Assets:

Restricted assets consist of cash which has been received by the Council for the purpose of providing utility assistance to needy people. This cash resulted from donations made by the general public to various utility companies and is restricted by the donor to only this purpose. Restricted assets are offset by a corresponding reservation of fund balance.

o. Management's Use of Estimates:

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

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

Intergovernmental grant revenues and program service fees are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Intergovernmental Grants

Title III B, Title III C-1, Title III C-2, Title III D, and Title III F program 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 Senior Center program and PCOA (Act 735) 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 actual expenses are incurred.

Miscellaneous Grant and Audit revenues are recorded as revenue when the actual cost has been incurred, and the grant reimbursement is measurable and available.

EXIT CONFERENCE

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1996

The exit conference was held August 13, 1996, at the Council's administrative office in Greensburg, Louisiana. The conference was attended by Neil G. Ferrari, C.P.A., and Mr. Reed Meadors, Executive Director of the Council.

I reported to Mr. Meadors the reportable conditions, including material and immaterial weaknesses, in the internal control structure of the Council that I discovered during the audit. I did not discover any material instances of noncompliance with laws, regulations, contracts and grant agreements, however, I mentioned some immaterial instances to him.

I also offered some recommendations to Mr. Meadors that were not related to any specific findings.

There was one reportable condition that I considered to be a material weakness in the Council's internal control structure which is described on page 48 of this report. The minor weaknesses in the internal control structure, the immaterial instances of noncompliance, and my recommendations are presented here to document my communication with Mr. Meadors.

MINOR WEAKNESSES IN THE INTERNAL CONTROL STRUCTURE

1. The fixed asset subledger was not updated for the acquisition of a new copy machine. A physical inventory had not been taken. The volume of assets on hand is low. Therefore, this should be easy for you to do.
2. There was one instance noted where a timesheet had not been signed by an employee. There were also a few instances noted where the timesheet had been completed in pencil. Timesheets should always be signed by the employee and be completed in ink to prevent any unauthorized changes.
3. Your personnel policies require written job descriptions but in my review of selected personnel files, I did not see any written descriptions. I'd also like to recommend that employee pay rates be documented in their personnel files along with any changes, including the date of change.
4. June invoices were not formally approved by the director until well after month end. Invoices should be approved for payment before the checks are presented to the board members for signing.

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>AUDIT</u>			
Other costs	-	657	(657)
Transfers out to:			
Title III C-2	607	-	607
Title III D	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 50</u>
Totals	<u>\$ 657</u> =====	<u>\$ 657</u> =====	<u>\$ -</u> =====
 <u>MISCELLANEOUS GRANT</u>			
Transfers to other programs:			
Title III C-2	\$ 4,457	\$ 4,457	\$ -
Title III F	<u>43</u>	<u>43</u>	<u>-</u>
Totals	<u>\$ 4,500</u> =====	<u>\$ 4,500</u> =====	<u>\$ -</u> =====

TABLE OF CONTENTS

Financial Report

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1996

1.	INDEPENDENT AUDITOR'S REPORT	1
2.	INTERNAL CONTROL REPORT:	
●	Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards	3
●	Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	6
3.	COMPLIANCE REPORTS:	
●	Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>	10
●	Independent Auditor's Report on Compliance With the General Requirements Applicable to Federal Financial Assistance Programs	12
●	Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Programs Transactions	14
4.	GENERAL PURPOSE FINANCIAL STATEMENTS:	
●	Combined Balance Sheet - All Fund Types and Account Group(s)	16
●	Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types	17
●	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund	18
●	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Special Revenue Fund	19
●	Notes to Financial Statements	20

Financial Report

St. Helena Council on Aging, Inc.
Greensburg, 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 18 1996

5. SUPPLEMENTARY FINANCIAL INFORMATION:

- Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund 39
- Schedule 2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds 40
- Schedule 3 - Schedule of Program Expenditures - Budget vs. Actual 41
- Schedule 4 - Comparative Statement of General Fixed Assets and Changes in General Fixed Assets 45
- Schedule 5 - Schedule of Federal Financial Assistance 46

6. QUESTIONED COSTS 47

7. FINDINGS AND RECOMMENDATIONS - CURRENT YEAR 48

8. CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS 50

9. EXIT CONFERENCE 54