

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 15 Budget Presentation - Reconciliation

Presented below is a schedule reconciling all special revenue funds to special revenue funds in which budgets were adopted:

Special revenue funds:

Excess of revenues and other financing sources over expenditures and other uses (page 5)	\$3,470
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Add (deduct) funds not budgeted:

Energy - excess of expenditures over revenue	<u>425</u>
--	------------

Excess of revenues and other financing sources over expenditures and other uses (page 6)	\$3,895
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EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 14 Changes in Long-Term Debt

	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
Accrued annual leave	\$ 16,657	\$ 310	\$ -	\$ 16,967
Note payable	<u>233,699</u>	<u>270,000</u>	<u>237,720</u>	<u>265,979</u>
	<u>\$250,356</u>	<u>\$270,310</u>	<u>\$237,720</u>	<u>\$282,946</u>

Unpaid
Principal

Due to the Federal Housing Authority in the original amount of \$270,000, payable in 360 monthly installments of \$1,472, including interest of 5% per annum, secured by the administrative building and equipment.

\$265,979

Accrued annual leave is expected to be paid during the fiscal year-end June 30, 1997.

16,967

\$282,946

The annual requirements to amortize all debt outstanding at June 30, 1996, including interest payments of \$228,902, are as follows:

<u>Year Ending June 30,</u>	
1997	\$ 34,631
1998	17,664
1999	17,664
2000	17,664
2001	17,664
2002 and thereafter	<u>406,561</u>
	<u>\$511,848</u>

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 11 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 National Council of Senior Citizens. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 12 In-Kind Contributions

The Council received various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenses, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

Note 13 Investments

At June 30, 1996, investments consisted of the following:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
Citizens Bank:			
Certificate of deposit	\$20,540	4.00%	9/3/96
Evangeline Bank & Trust:			
Certificate of deposit	<u>28,590</u>	5.00%	10/1/96
Total investments	<u>\$49,130</u>		

The above investments have been recorded at cost, which approximates market value. All invested funds are covered by federal depository insurance.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 4 Cash (Continued)

Even though the pledged securities are considered uncollateralized, (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

Note 5 Restricted Cash

Restricted cash consists of cash investments whose use is limited by a note agreement. In accordance with the note agreement, the Council shall deposit \$151 each month into a separate bank account. Once the Council accumulates \$18,012 in the account, the monthly deposits may be suspended. The purpose of this is to help prevent default on the payment of the note.

Note 6 Operating Transfers In, Out

		<u>Funds transferring out:</u>			
		<u>Senior</u>	<u>Miscellaneous</u>		
		<u>Center</u>	<u>Grant</u>	<u>General</u>	<u>Act 735</u>
Funds transferring					
in:					
Title III C-1	\$ -	\$ -		\$ 8,600	\$ -
Title III C-2	-	-		17,549	-
Title III B	25,495	4,500		35,730	11,779
Title III D	-	-		1,792	-
Title III F	7,054	-		2,335	-
Ombudsman	-	-		4,063	-
Special Five	-	-		53	-
	<u>\$32,549</u>	<u>\$4,500</u>		<u>\$70,122</u>	<u>\$11,779</u>
	=====	=====		=====	=====
		<u>Funds transferring out:</u>			
		<u>Special</u>			
		<u>Account</u>	<u>Medicaid</u>	<u>Energy</u>	<u>Total</u>
Funds transferring					
in:					
Title III C-1	\$ -	\$ -		\$ -	\$ 8,600
Title III C-2	-	-		-	17,549
Title III B	28,701	364		1,495	108,064
Title III D	-	-		-	1,792
Title III F	-	-		-	9,389
Ombudsman	-	-		-	4,063
Special Five	-	-		-	53
	<u>\$28,701</u>	<u>\$ 364</u>		<u>\$ 1,495</u>	<u>\$149,510</u>
	=====	=====		=====	=====

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

I. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. The estimated amounts of fixed assets are immaterial to these financial statements. Donated fixed assets are stated at their estimated fair market value on the date donated.

J. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are accounted for in the general long-term debt account group.

Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group.

K. Annual and Sick Leave

The Council's policy allows employees to carry forward 15 days of unused annual leave and 30 days of sick leave. Upon termination, annual leave is payable with 7 days notice of resignation and sick leave with 14 days notice. Annual and sick leave accumulates at various rates determined by years of service. The liability for accumulated annual leave has been recorded in the General Long-Term Debt Account Group.

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:

<u>Accounting Controls</u>	<u>Administrative Controls</u>	
	<u>General Requirements</u>	<u>Specific Requirements</u>
Receipts/revenue	Political activity	Eligibility
Disbursements/expenditures	Civil rights	Types of services allowed or unallowed
Payroll	Cash management	Matching, level of effort, or earmarking
	Federal financial reports	Amounts claimed or used for matching
	Allowable costs/cost Principles	Reporting
	Drug-Free Workplace Act	Claims for advancement and reimbursement
	Administrative requirements	Special provisions

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 Evangeline Council on Aging, Inc. had no major federal financial assistance programs and expended 67% of its total federal financial assistance under the following nonmajor federal financial assistance program: Title V - Sr. Aides.

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 have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. 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.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to

SUPPLEMENTAL INFORMATION

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

General Long-Term Debt

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

E. Basis of Accounting

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

The governmental fund types (General, Special Revenue and Capital Projects Fund) use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. Intergovernmental revenues are considered susceptible to accrual. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, if measurable.

F. Transfers and Interfund Loans

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

G. Budget Policy

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

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year.

The budget is prepared on the modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

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

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 Governor's Office of Elderly Affairs for funds received under grants from this state agency.

Expenditures cannot legally exceed appropriations at the individual fund level.

H. Total Columns on 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 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.

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Independent Auditor's Report on the Internal Control Structure used in Administering Federal Financial Assistance Programs

The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated July 23, 1996.

We conducted our 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 we 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 our audit for the year ended June 30, 1996, we considered the Council's internal control structure in order to determine our auditing procedures for the purpose of expressing our 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 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 policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated July 23, 1996.

The management of the Evangeline Council on Aging, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly

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EVANGELINE COUNCIL ON AGING, INC.

Exit Conference
Year Ended June 30, 1996

An exit conference was held on October 15, 1996, with the Evangeline Council on Aging, Inc. In attendance were:

Janice Guillory, Executive Director
Cecilia Morein, Bookkeeper
Shannon Broussard, Cajun Area Agency
Mazel Stanberry, Vice-Chairperson
Oswell Ledoux, Board Member
Beverly Miller, Board Member
Harry Lee Prudhomme, Board Member
Davis A. Schexnayder, Board Member
Paula Bihm, CPA
Steven Moosa, CPA

We reported on the results of our audit and our discovery of a material weakness in internal control, which is reported on page 32 and 36. The Director and Board Members received our findings and recommendations favorably and have taken action to implement these recommendations.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Disbursements to Board Members
Year Ended June 30, 1996

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

The following board members were reimbursed for mileage and travel expenses while attending to business of the Council:

Bervic Celestine	\$ 13
Ella Mae Fontenot	22
Clyde Gaudet	22
George R. Helmer	71
Monica Deville	46
Loretta Jason	20
Sylvia C. Veillon	45
Mercy D. Harvey	146
Lola Pauline Johnson	<u>87</u>
	\$472
	=====

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Questioned Costs
Year Ended June 30, 1996

There are no questioned costs in this reporting period.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Corrective Action Taken on Prior Year Findings
June 30, 1996

There were no prior year findings.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Insurance in Force
(Unaudited)
June 30, 1996

<u>Type of Coverage</u>	<u>Policy Limit</u>	<u>Expiration</u>
General liability	\$1,000,000	July 1, 1996
Auto	\$ 500,000	July 1, 1996
Excess auto	\$ 500,000	July 1, 1996
Excess liabilities	\$ 500,000	July 1, 1996
Fidelity bond	\$ 50,000	July 1, 1996
Workers' compensation	\$ 100,000	April 1, 1997
Blanket Bond	\$ 50,000	May 23, 1997

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1996

	Balance June 30, <u>1995</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1996</u>
General fixed assets, at cost				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Furniture & equipment	119,944	8,358	30,470	97,832
Building	<u>263,154</u>	<u>4,656</u>	<u>-</u>	<u>267,810</u>
	\$405,098	\$13,014	\$30,470	\$387,642
	=====	=====	=====	=====
Investment in general fixed assets				
Title III B	\$ 8,875	\$ 1,112	\$ -	\$ 9,987
Title III C-1	6,532	-	-	6,532
Title III C-2	5,885	-	-	5,885
Senior Center	5,654	-	-	5,654
Section 16	687	-	687	-
Local	43,587	3,195	11,228	35,554
Title III F	3,311	-	-	3,311
Title III G	756	-	-	756
Title III D	948	-	-	948
Special Account	43,398	-	18,555	24,843
Ombudsman	311	-	-	311
Building	285,154	7,371	-	292,525
CAAA	<u>-</u>	<u>1,336</u>	<u>-</u>	<u>1,336</u>
Total investment in general fixed assets	\$405,098	\$13,014	\$30,470	\$387,642
	=====	=====	=====	=====

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>Department of Health & Human Services</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs:				
Title III B-Supportive services	93.044	\$ 51,165	\$ 51,165	\$ 51,165
Title III C-1-Congregate meals	93.045	14,168	14,168	14,168
Title III C-2-Home delivered meals	93.045	6,980	6,980	6,980
Title III D-In-home services	93.046	1,319	1,319	1,319
Title VII Chapter 2 - Ombudsman	93.042	4,225	4,225	4,225
Title III F-Preventive Health Services	93.043	<u>2,889</u>	<u>2,889</u>	<u>2,889</u>
		<u>80,746</u>	<u>80,746</u>	<u>80,746</u>
 <u>Department of Transportation & Development</u>				
Passed through the Louisiana Department of Transportation & Development:				
FTA-Non Urbanized Area Public Transportation, Project #LA-18-X013, State Project #741-20-0102	20.509	<u>28,403</u>	<u>28,403</u>	<u>28,403</u>
 <u>Department of Labor</u>				
Passed through the National Council of Senior Citizens:				
Title V - Sr. Aides	17.235	<u>264,237</u>	<u>264,237</u>	<u>264,237</u>
		<u>\$373,386</u>	<u>\$373,386</u>	<u>\$373,386</u>

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Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs

The Board of Directors
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Ville Platte, Louisiana

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We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated July 23, 1996.

We have applied procedures to test Evangeline Council on Aging, 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: Political activity, civil rights, cash management, federal financial reports, allowable costs/cost principles, Drug-Free Workplace Act, and administrative requirements.

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 Evangeline Council on Aging, 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 the Evangeline Council on Aging, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

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Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions

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Ville Platte, Louisiana

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We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated July 23, 1996.

In connection with our audit of the general purpose financial statements of the Evangeline Council on Aging, Inc., and with 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," 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; matching, level of effort, or earmarking; reporting; claims for advancement and reimbursements; special provisions; and amounts claimed or used for matching 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 the Council'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 the Evangeline Council on Aging, Inc. had not complied, in all material respects, with those requirements.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

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Stephen R. Dischler, MBA, CPA

Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

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2011 MacArthur Drive
Building 1
Alexandria, LA 71301
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We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated July 23, 1996.

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.

Compliance with laws, regulations, contracts, and grants applicable to the Evangeline Council on Aging, Inc. is the responsibility of management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Evangeline Council on Aging, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. 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 board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 2 Board of Directors' Compensation

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

Note 3 Income Tax Status

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

Note 4 Cash

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the Council has cash and interest bearing deposits (book balances) totaling \$152,429.

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount in deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1996, are secured as follows:

Bank balances	\$187,223
	<u> </u>
Federal deposit insurance	\$163,394
Pledged securities (Category 3)	<u>53,355</u>
	<u>216,749</u>
Excess	\$ 29,526
	<u> </u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Council's name.

SCHEDULES OF INDIVIDUAL FUNDS

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

and remit the funds to the Cajun Area Agency on Aging, Inc., which in turn remits funds relating to Evangeline Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

Extra Five Fund

The Extra Five program funds come from the interest earned on the Title V program.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. These funds are accounted for in a separate Special Revenue Fund to facilitate tracking of this resource and to ensure its utilization in the budget period. The funds are unrestricted in application and are transferred from this Special Revenue Fund for appropriate application in the General Fund and other Special Revenue Funds.

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

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

In planning and performing our audit of the general purpose financial statements of the Evangeline Council on Aging, 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 structure. Accordingly, we do not express such an opinion.

We noted a certain matter involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, 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.

Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

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.

Our 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, we believe the reportable condition described above is a material weakness.

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

(A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS)

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Independent Auditor's Report on Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

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The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated July 23, 1996.

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.

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

MEMBER OF
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INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

EVANGELINE COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
Special Revenue Funds (Continued)
Year Ended June 30, 1996

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title V - Senior Aides</u>			
Salaries	\$234,643	\$234,715	\$ (72)
Fringe	17,946	17,946	-
Operating services	18,736	18,736	-
Other costs	<u>190</u>	<u>190</u>	<u>-</u>
	\$271,515	\$271,587	\$ (72)
	=====	=====	=====
<u>Special Account-Section 18</u>			
Operating supplies	\$ 470	\$ 720	\$ (250)
Other cost	<u>9,820</u>	<u>3,585</u>	<u>6,235</u>
	\$ 10,290	\$ 4,305	\$ 5,985
	=====	=====	=====
<u>Special V</u>			
Salaries	\$ 21,976	\$ 21,975	\$ 1
Fringe	1,832	1,832	-
Travel	1,740	1,710	30
Operating services	639	724	(85)
Operating supplies	5	4	1
In-kind	<u>7,456</u>	<u>7,711</u>	<u>(255)</u>
	\$ 33,648	\$ 33,956	\$ (308)
	=====	=====	=====
<u>Extra Five</u>			
Other costs	\$ 100	\$ 100	\$ -
	=====	=====	=====

EVANGELINE COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
Special Revenue Funds (Continued)
Year Ended June 30, 1996

<u>Title III-F</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Salaries	\$ 9,981	\$ 9,811	\$ 170
Fringe	1,025	1,012	13
Travel	26	21	5
Operating services	2,126	1,982	144
Operating supplies	781	271	510
Other costs	<u>22</u>	<u>21</u>	<u>1</u>
	<u>\$13,961</u>	<u>\$13,118</u>	<u>\$ 843</u>
<u>Senior Center</u>			
Operating services	\$ 5,569	\$ 5,278	\$ 291
Operating supplies	<u>898</u>	<u>866</u>	<u>32</u>
	<u>\$ 6,467</u>	<u>\$ 6,144</u>	<u>\$ 323</u>
<u>Ombudsman</u>			
Salaries	\$ 5,235	\$ 5,238	\$ (3)
Fringe	564	557	7
Travel	1,957	1,663	294
Operating services	1,330	1,272	58
Operating supplies	187	290	(103)
Other costs	<u>15</u>	<u>14</u>	<u>1</u>
	<u>\$ 9,288</u>	<u>\$ 9,034</u>	<u>\$ 254</u>
<u>Medicaid</u>			
Salaries	\$ 3,302	\$ 3,344	\$ (42)
Fringe	293	296	(3)
Travel	140	142	(2)
Operating services	35	34	1
Operating supplies	90	89	1
Other costs	<u>35</u>	<u>35</u>	<u>-</u>
	<u>\$ 3,895</u>	<u>\$ 3,940</u>	<u>\$ (45)</u>

(Continued)

EVANGELINE COUNCIL ON AGING, INC.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
Special Revenue Funds
Year Ended June 30, 1996

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-B</u>			
Salaries	\$120,476	\$119,524	\$ 952
Fringe	12,932	12,873	59
Travel	2,333	2,344	(11)
Operating services	56,075	55,995	80
Operating supplies	17,039	16,054	985
Other costs	333	309	24
Capital outlay	<u>1,112</u>	<u>1,112</u>	<u>-</u>
	<u>\$210,300</u>	<u>\$208,211</u>	<u>\$ 2,089</u>
 <u>Title III C-1</u>			
Salaries	\$ 31,470	\$ 29,813	\$ 1,657
Fringe	3,362	3,230	132
Travel	2,283	2,153	130
Operating services	7,904	7,387	517
Operating supplies	2,095	2,103	(8)
Other costs	<u>85</u>	<u>79</u>	<u>6</u>
	<u>\$ 47,199</u>	<u>\$ 44,765</u>	<u>\$ 2,434</u>
 <u>Title III C-2</u>			
Salaries	\$ 64,600	\$ 66,213	\$(1,613)
Fringe	6,899	7,060	(161)
Travel	18,151	17,447	704
Operating services	16,298	15,891	407
Operating supplies	3,233	2,499	734
Other costs	<u>937</u>	<u>825</u>	<u>112</u>
	<u>\$110,118</u>	<u>\$109,935</u>	<u>\$ 183</u>
 <u>Title III-D</u>			
Salaries	\$ 2,506	\$ 2,444	\$ 62
Fringe	259	329	(70)
Travel	250	68	182
Operating services	534	427	107
Operating supplies	73	71	2
Other costs	<u>6</u>	<u>5</u>	<u>1</u>
	<u>\$ 3,628</u>	<u>\$ 3,344</u>	<u>\$ 284</u>

(Continued)

<u>Miscellaneous Grant</u>	<u>Medicaid</u>	<u>Title V Sr. Aides</u>	<u>Special Account Section 18</u>	<u>Special V</u>	<u>Energy</u>	<u>Extra Five</u>	<u>Act 735</u>	<u>Total</u>
\$ 4,500	\$8,110	\$271,587	\$ 28,403	\$24,200	\$ 1,070	\$ -	\$11,779	\$538,959
-	-	-	6,538	-	-	122	-	95,117
<u>4,500</u>	<u>8,110</u>	<u>271,587</u>	<u>34,941</u>	<u>31,911</u>	<u>1,070</u>	<u>122</u>	<u>11,779</u>	<u>641,787</u>
-	3,344	234,715	-	21,975	-	-	-	493,077
-	296	17,946	-	1,832	-	-	-	45,135
-	142	-	-	1,710	-	-	-	25,548
-	34	18,736	-	724	-	-	-	107,726
-	89	-	720	4	-	-	-	22,967
-	35	190	3,585	-	-	100	-	5,163
-	-	-	-	-	-	-	-	1,112
<u>-</u>	<u>3,940</u>	<u>271,587</u>	<u>4,305</u>	<u>33,956</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>708,439</u>
<u>4,500</u>	<u>4,170</u>	<u>-</u>	<u>30,636</u>	<u>(2,045)</u>	<u>1,070</u>	<u>22</u>	<u>11,779</u>	<u>(66,652)</u>
<u>(4,500)</u>	<u>(364)</u>	<u>-</u>	<u>(28,701)</u>	<u>53</u>	<u>(1,495)</u>	<u>-</u>	<u>(11,779)</u>	<u>149,510</u>
<u>(4,500)</u>	<u>(364)</u>	<u>-</u>	<u>(28,701)</u>	<u>53</u>	<u>(1,495)</u>	<u>-</u>	<u>(11,779)</u>	<u>(79,388)</u>
-	3,806	-	1,935	(1,992)	(425)	22	-	3,470
-	112	-	58,511	1,992	464	110	-	73,760
\$ -	\$3,918	\$ -	\$ 60,446	\$ -	\$ 39	\$ 132	\$ -	\$ 77,230
=====	=====	=====	=====	=====	=====	=====	=====	=====

EVANGELINE COUNCIL ON AGING, INC.

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

Revenues:	
Property tax	\$ 84,212
State revenue sharing	16,459
Interest income	2,247
Miscellaneous	<u>21,231</u>
Total revenues	<u>124,149</u>
Expenditures:	
Current -	
Travel	7,909
Operating services	15,756
Operating supplies	3,049
Other costs	17,625
Capital outlay	<u>3,195</u>
Total expenditures	<u>47,534</u>
Excess of revenues over expenditures	<u>76,615</u>
Other financing uses:	
Operating transfers out	<u>(70,122)</u>
Excess of revenues over expenditures and other uses	6,493
Fund balance:	
Beginning of year	<u>85,802</u>
End of year	<u>\$ 92,295</u>

significant deficiencies in the design or operation of the internal control structure that, in our judgement, could adversely affect the Council's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Response:

No response is considered necessary.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance 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, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the board of directors and management. However, this report is a matter of public record and its distribution is not limited.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 7 Reserved Fund Balance

Reserved fund balance represent amounts restricted for the required expenditures of the special revenue fund and for the prepayment of future expenditures.

Note 8 Capitalization of Interest

During the construction period of the Administrative building, the Council capitalized interest incurred on interim financing as a cost of the building. Interest cost capitalized for the year ended June 30, 1996 totaled \$2,587.

Note 9 Revenue Recognition - Property Tax

During fiscal year 1980, the Council began receiving funds from a property tax which was adopted by the voters of Evangeline Parish.

The taxes are collected by the Evangeline Parish Sheriff Department and remitted to the Evangeline Council on Aging, Inc. as the money is received. The Council does not record receivables for any property taxes not collected but instead records the funds it receives from the parish at the time of receipt. The Council has no assurance that uncollected taxes will ever be received.

Taxes of one mill were levied on property with assessed valuations totaling \$88,756,855 and were dedicated for services to the elderly for the year ended June 30, 1996.

Total taxes levied were \$88,757.

Note 10 Judgements, Claims, and Similar Contingencies

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

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

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

associated with the services the Council provided as a Medicaid Enrollment Center. This fund is also used to account for funds which are used to provide services that will meet the needs of those diverted or deinstitutionalized beneficiaries whose disabilities preclude the acquisition of certain independent living skills related to the activities of daily living.

Senior Community Service Employment Fund (Title V)

The Senior Community Service Employment Fund is used to account for funds which are used to provide, foster, and promote useful part-time work opportunities in community service activities for low-income persons who are 55 years old and older. These funds are provided by the United States Department of Labor through the National Council of Senior Citizens, which in turn "passes through" the funds to the Council.

Special Account - Section 18 Fund

Section 18 funds are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development. Funds received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

Special V Fund

The Special V program provides administrative costs to operate the Title V Program.

Energy Fund

The Energy Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers

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statements of the Evangeline Council on Aging, Inc. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which an unqualified opinion on the general purpose financial statements of the Evangeline Council on Aging, Inc. was expressed.

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Eunice, Louisiana
July 23, 1996

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EVANGELINE COUNCIL ON AGING, INC.

Financial Report

Year Ended June 30, 1996

NOV 27 1996

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EVANGELINE COUNCIL ON AGING, INC.

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

	Governmental Fund Types			Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Capital Projects	General Fixed Assets	General Long-term Debt	1996	1995
ASSETS							
Cash	\$81,640	\$19,683	\$ 444	\$ -	\$ -	\$101,767	\$111,695
Restricted cash	1,532	-	-	-	-	1,532	-
Certificates of deposit	-	49,130	-	-	-	49,130	47,058
Due from other funds	-	-	-	-	-	-	1,987
Other receivables	-	7,902	-	-	-	7,902	592
Fixed assets	-	-	-	387,642	-	387,642	405,098
Prepaid expenditures	9,123	1,117	-	-	-	10,240	3,491
Amount to be provided for retirement of general long-term debt	-	-	-	-	282,946	282,946	250,356
Total assets	\$92,295	\$77,832	\$ 444	\$387,642	\$282,946	\$841,159	\$820,277
LIABILITIES AND FUND EQUITY							
Liabilities:							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,987
Accrued payroll and related benefits payable	-	602	-	-	-	602	554
Deferred revenue	-	-	-	-	-	-	2,720
Retainage payable	-	-	-	-	-	-	27,989
Long-term debt - Accumulated unpaid leave Note payable	-	-	-	-	16,967	16,967	16,657
	-	-	-	-	265,979	265,979	233,699
Total liabilities	-	602	-	-	282,946	283,548	283,606
Fund Equity:							
Investment in fixed assets	-	-	-	387,642	-	387,642	405,098
Fund balances -							
Unreserved - undesignated	81,640	76,113	-	-	-	157,753	84,419
Reserved for prepaid expendi- tures	9,123	1,117	-	-	-	10,240	3,491
Reserved for future expendi- tures	1,532	-	-	-	-	1,532	43,663
Designated for future expendi- tures	-	-	444	-	-	444	-
Total fund balances	92,295	77,230	444	-	-	169,969	131,573
Total fund equity	92,295	77,230	444	387,642	-	557,611	536,671
Total liabilities and fund equity	\$92,295	\$77,832	\$ 444	\$387,642	\$282,946	\$841,159	\$820,277

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

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

	General	Special Revenue	Capital Projects	Debt Service	Totals (Memorandum Only)	
					1996	1995
Revenues:						
Intergovernmental	\$100,671	\$538,959	\$ -	\$ -	\$ 639,630	\$ 566,243
Local and miscellaneous	23,478	95,117	-	14,720	133,315	184,389
In-kind	-	7,711	-	-	7,711	22,275
Total revenues	<u>124,149</u>	<u>641,787</u>	<u>-</u>	<u>14,720</u>	<u>780,656</u>	<u>772,907</u>
Expenditures:						
Current -						
Salaries	-	493,077	-	-	493,077	494,790
Fringe	-	45,135	-	-	45,135	55,048
Travel	7,909	25,548	-	-	33,457	31,342
Operating services	15,756	107,726	-	-	123,482	86,903
Operating supplies	3,049	22,967	-	-	26,016	25,248
Other costs	17,625	5,163	497	-	23,285	26,729
Capital outlay	3,195	1,112	7,371	-	11,678	270,555
Debt service:						
Principal	-	-	-	4,021	4,021	-
Interest	-	-	-	10,699	10,699	-
In-kind	-	7,711	-	-	7,711	22,275
Total expenditures	<u>47,534</u>	<u>708,439</u>	<u>7,868</u>	<u>14,720</u>	<u>778,561</u>	<u>1,012,890</u>
Excess (deficiency) of revenues over expenditures						
	<u>76,615</u>	<u>(66,652)</u>	<u>(7,868)</u>	<u>-</u>	<u>2,095</u>	<u>(239,983)</u>
Other financing sources (uses):						
Operating transfers in	-	149,510	-	-	149,510	102,258
Operating transfers out	(70,122)	(79,388)	-	-	(149,510)	(102,258)
Loan proceeds	-	-	270,000	-	270,000	-
Payment on line-of-credit	-	-	(233,699)	-	(233,699)	233,699
Total other financing sources (uses)	<u>(70,122)</u>	<u>70,122</u>	<u>36,301</u>	<u>-</u>	<u>36,301</u>	<u>233,699</u>
Excess of revenues and other sources over expenditures and other uses						
	6,493	3,470	28,433	-	38,396	(6,284)
Fund balances:						
Beginning of year	<u>85,802</u>	<u>73,760</u>	<u>(27,989)</u>	<u>-</u>	<u>131,573</u>	<u>137,857</u>
End of year	<u>\$ 92,295</u>	<u>\$ 77,230</u>	<u>\$ 444</u>	<u>\$ -</u>	<u>\$169,969</u>	<u>\$ 131,573</u>
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types
Year Ended June 30, 1996

	General Fund			Budgeted Special Revenue Funds		
	Budgeted	Actual	Variance - Favorable (Unfavorable)	Budgeted	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$100,491	\$100,671	\$ 180	\$ 538,746	\$537,889	\$ (857)
Local and miscellaneous	23,911	23,478	(433)	89,686	95,117	5,431
In-kind	-	-	-	7,456	7,711	255
Total revenues	<u>124,402</u>	<u>124,149</u>	<u>(253)</u>	<u>635,888</u>	<u>640,717</u>	<u>4,829</u>
Expenditures:						
Current -						
Salaries	-	-	-	494,189	493,077	1,112
Fringe	-	-	-	45,112	45,135	(23)
Travel	8,366	7,909	457	26,880	25,548	1,332
Operating services	14,887	15,756	(869)	109,246	107,726	1,520
Operating supplies	3,061	3,049	12	24,871	22,967	1,904
Other costs	33,065	17,625	15,440	11,543	5,163	6,380
Capital outlay	14,000	3,195	10,805	1,112	1,112	-
In-kind	-	-	-	7,456	7,711	(255)
Total expenditures	<u>73,379</u>	<u>47,534</u>	<u>25,845</u>	<u>720,409</u>	<u>708,439</u>	<u>11,970</u>
Excess (deficiency) of revenues over expenditures	<u>51,023</u>	<u>76,615</u>	<u>25,592</u>	<u>(84,521)</u>	<u>(67,722)</u>	<u>16,799</u>
Other financing sources (uses):						
Operating transfer in	-	-	-	186,733	149,510	(37,223)
Operating transfer out	(83,455)	(70,122)	13,333	(103,278)	(77,893)	25,385
Total other financing sources (uses)	<u>(83,455)</u>	<u>(70,122)</u>	<u>13,333</u>	<u>83,455</u>	<u>71,617</u>	<u>(11,838)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(32,432)</u>	<u>6,493</u>	<u>38,925</u>	<u>(1,066)</u>	<u>3,895</u>	<u>4,961</u>
Fund balances:						
Beginning of year	<u>85,802</u>	<u>85,802</u>	-	<u>73,296</u>	<u>73,296</u>	-
End of year	<u>\$ 53,370</u>	<u>\$ 92,295</u>	<u>\$ 38,925</u>	<u>\$ 72,230</u>	<u>\$ 77,191</u>	<u>\$ 4,961</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

A. Presentation of Statements

In April, 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.

B. Organization

Act 456 of 1964, 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. Each council is a non-profit corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs and any other entity that provides the Council with federal or state funds.

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

The primary function of the Council on Aging is 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 and nutritional education, information and referral services, legal assistance, operating senior centers and transportation. A Board of Directors consisting of 21 members, who serve three-year terms, governs the council.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

C. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Evangeline Council on Aging, Inc. Control by or dependent on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

D. Fund Accounting

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

Governmental Fund Types

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

General Fund

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

The following fund comprises the Council's General Fund:

One Mill Tax Fund

One mill tax funds are received from a tax levied on property in the parish and various

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

local sources; such funds not being restricted to any special use.

Capital Projects Fund

Capital Projects Fund is used to account for all resources for the construction of capital facilities by the Council.

The following fund comprises the Council's Capital Projects Fund:

Building Fund

This Fund accounts for the construction of the new administrative building and senior center. Construction was completed during July, 1995.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Special Revenue Funds

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

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

Title III-B Supportive Services Fund

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

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Title III C-1 Congregate Meals Fund

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 "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund

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

Title III-D Fund

Title III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Title III-F Fund

Title III-F Fund is used to account for funds used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (5)

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

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 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.

Senior Center Fund

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

Ombudsman Fund

The Ombudsman Program was established to investigate and resolve complaints of any relevant nature on behalf of individuals, especially aged individuals who are residents of long-term care facilities. Ombudsman 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.

Medicaid of Louisiana Fund

The Medicaid of Louisiana Fund is used to account for the revenues and expenditures

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Independent Auditor's Report

The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

We have audited the accompanying general purpose financial statements of the Evangeline Council on Aging, 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 the Council'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 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.

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

In accordance with Government Auditing Standards, we have also issued a report dated July 23, 1996, on our consideration of the Evangeline Council on Aging, Inc.'s internal control structure and a report dated July 23, 1996 on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial

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