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LAFAYETTE 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 Bulletin of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection 93 - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs institutions; and the Louisiana Governmental Units Guide.

B. Organization

Act 484 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, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other Federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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

Our audit was made 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 statements of the Lafayette Council on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Dornall, Sikes, Kolder, Frederick & Rainey
A Corporation of Certified Public Accountants

Monroe, Louisiana
August 13, 1976

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMMON STATEMENTS - OVERVIEW)

SARRETT'S COUNCIL ON REINS, INC.

Revised Balance Sheet - All Fund Types and Amount Groups
June 30, 1998

	Investmental Fund Balances		Appropriated Assets		Total Combinations
	General	Special	Fixed	Long term	
ASSETS					
Cash	\$767,188	\$ 11,498	\$ -	\$ -	\$778,686
Prepaid expenses	-	125	-	-	125
Debtors	5,000	-	-	-	5,000
Due from other funds	7,492	87,404	-	-	94,896
Appropriated assets	5,799	4,500	-	-	10,299
Total assets	-	-	797,124	-	797,124
Amount to be provided for (in) receipt of general long-term debt	-	-	-	62,329	62,329
Total assets	\$788,414	\$99,227	\$797,124	\$62,329	\$91,129,294
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ 438	\$ 2,000	\$ -	\$ -	\$ 2,438
Unearned revenues	19,000	4,741	-	-	23,741
Accrued payroll and related benefits payable (due to other funds)	114	-	-	-	114
Due to other funds	87,404	7,000	-	-	94,404
Long-term debt:	-	-	-	6,790	6,790
- Amortized unpaid portion - debt payable	-	-	-	6,790	6,790
Total Liabilities	107,056	13,741	-	6,790	127,587
Fund Equities	-	-	797,124	-	797,124
Fund Balances -					
Unassigned, undesignated	26,504	84,128	-	-	110,632
Unassigned, designated	5,795	-	-	-	5,795
Assigned	28,000	-	-	-	28,000
Small fund balances	18,885	18,885	-	-	37,770
Total fund equity	78,184	103,013	797,124	-	977,321
Total Liabilities and Fund Equity	\$788,414	\$99,227	\$797,124	\$62,329	\$91,129,294

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNTY, GEORGIA, INC.

Condensed Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types
Year Ended June 30, 1990

	General Fund			Special Revenue Funds		
	Budgeted	Actual	Percentage Variance	Budgeted	Actual	Percentage Variance
Revenues:						
Intergovernmental	\$ 15,000	\$ 15,000	100.00%	\$1,000,000	\$1,000,430	100.043%
Program	-	-	-	85,000	85,000	100.000%
Licenses and related interest	70,000	68,500	97.857%	117,000	117,000	100.000%
Interest	-	-	-	20,000	20,000	100.000%
Total revenues	<u>85,000</u>	<u>83,500</u>	<u>98.235%</u>	<u>1,022,000</u>	<u>1,022,430</u>	<u>100.043%</u>
Expenditures:						
Current:						
Salaries	-	-	-	780,000	787,000	100.769%
Fringe	-	-	-	10,000	10,000	100.000%
Travel	700	800	114.286%	20,000	20,000	100.000%
Operating services	70,000	70,000	100.000%	100,000	100,000	100.000%
Operating supplies	-	700	100.000%	10,000	10,000	100.000%
Other costs	10,000	10,000	100.000%	100,000	100,000	100.000%
Capital outlay	2,000	2,000	100.000%	2,000	2,000	100.000%
Interest	-	-	-	20,000	20,000	100.000%
Total expenditures	<u>72,700</u>	<u>73,600</u>	<u>101.238%</u>	<u>1,032,000</u>	<u>1,039,000</u>	<u>100.582%</u>
Excess (deficiency) of revenues over expenditures	<u>12,300</u>	<u>9,900</u>	<u>80.488%</u>	<u>20,000</u>	<u>23,430</u>	<u>117.150%</u>
Other financing sources (uses):						
Operating transfers to	-	-	-	40,000	40,000	100.000%
Operating transfers from	100,000	100,000	100.000%	200,000	200,000	100.000%
Other (uses) financing sources (uses)	100,000	100,000	100.000%	200,000	200,000	100.000%
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>10,000</u>	<u>10,000</u>	<u>100.000%</u>	<u>20,000</u>	<u>20,000</u>	<u>100.000%</u>
Fund balances, beginning of year	<u>100,000</u>	<u>100,000</u>	<u>100.000%</u>	<u>11,000</u>	<u>11,000</u>	<u>100.000%</u>
Fund balances, end of year	<u>\$110,000</u>	<u>\$110,000</u>	<u>100.000%</u>	<u>\$31,000</u>	<u>\$31,000</u>	<u>100.000%</u>

The accompanying notes are an integral part of this statement.

LAFAYETTE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances - All Governmental Fund Types
Year Ended June 30, 1995

	General	Special Revenue	Total Commodities Only
Revenues:			
Intergovernmental	\$ 15,600	\$1,088,472	\$1,104,072
Program	-	63,586	63,586
Local and miscellaneous	68,761	125,662	194,423
Included	-	86,576	86,576
Total revenues	<u>84,361</u>	<u>1,364,396</u>	<u>1,448,757</u>
Expenditures:			
Current -			
Salaries	-	187,349	187,349
Fringe	-	70,959	70,959
Travel	486	32,545	33,031
Operating services	18,322	188,768	207,090
Operating supplies	152	27,521	27,673
Other costs	18,952	146,880	165,832
Capital outlay	1,129	6,433	7,562
Included	-	66,576	66,576
Total expenditures	<u>20,039</u>	<u>547,031</u>	<u>567,070</u>
Excess of revenues over expenditures	<u>64,322</u>	<u>817,365</u>	<u>881,687</u>
Other financing sources (uses):			
Operating transfers in	-	166,382	166,382
Operating transfers out	(28,886)	(112,508)	(141,394)
Total other financing sources (uses)	<u>(28,886)</u>	<u>53,874</u>	<u>24,988</u>
Excess of revenues and other sources over expenditures and other uses	<u>35,436</u>	<u>871,239</u>	<u>906,675</u>
Fund balances, beginning of year	<u>168,382</u>	<u>27,663</u>	<u>196,045</u>
Fund balances, end of year	<u>\$ 203,818</u>	<u>\$ 118,902</u>	<u>\$ 322,720</u>

The accompanying notes are an integral part of this statement.

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**LAFAYETTE COUNCIL
ON AGING, INC.**

Financial Report

Year Ended June 30, 1956

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.

Released Date: NOV 23 1956

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DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

ACCOUNTING PROFESSIONAL CORPORATION

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Independent Auditor's Report

The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the accompanying general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1998, 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 4-118, "Audits of State and Local Governments." These standards and OMB Circular 4-118 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Lafayette Council on Aging, Inc. as of June 30, 1998, 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 August 13, 1998 on our consideration of the Lafayette Council on Aging, Inc.'s internal control structure and a report dated August 13, 1998 on its compliance with laws and regulations.

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LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 1986

There are no questioned costs in this reporting period.

Balance	Disbursements	17104 B - Exp for Admin.	Postor Maintenance	101.771	Personel Services	Recessed Time	Retired Admin.	City's Reserve Fund	Family Care Fund	City Reserve Fund
10,128	\$ 4,388	640,608	662,548	\$ 23,874	\$ 3,588	\$ -	\$ 10,000	\$ -	\$ -	\$ -
-	-	44,880	-	-	-	-	-	10,475	10,475	-
10,128	4,388	685,488	662,548	23,874	3,588	-	10,000	10,475	10,475	-
10,128	-	685,488	662,548	23,874	3,588	100	-	1,000	101	101
1,000	-	11,000	11,000	-	50	79	-	80	80	80
1,000	-	2,000	2,000	-	-	11	-	10	10	10
1,000	-	10,000	10,000	-	-	1,117	-	-	-	-
110	-	2,000	210	-	2,000	-	-	2,000	2,000	2,000
100	-	-	100	-	-	-	-	1,000	1,000	1,000
10,128	-	700,488	683,548	23,874	3,638	1,187	-	11,475	11,475	11,475
11,128	4,388	700,488	683,548	23,874	3,638	1,187	10,000	10,475	10,475	10,475
1,128	-	-	-	-	-	-	-	-	-	-
1,128	10,000	-	-	11,128	-	-	110,000	100	-	-
1,128	10,000	-	-	11,128	-	-	110,000	100	-	-
-	-	11,100	11,100	-	1,100	1,100	-	10,000	1,000	1,000
-	-	2,000	2,000	-	2,000	2,000	-	10,000	2,000	2,000
\$ -	*****	\$ 1,400	\$ 4,300	\$ -	\$ -	\$ 1,400	\$ -	\$ 10,000	\$ 10,000	\$ 10,000

(Cont'd next)

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 7 Reserved Fund Balances (Continued)

elderly housing projects undertaken and sponsored by the Council. Other restricted assets arise because of gifts solicited and collected for the specific facility for the Council. Other assets, like the utility assistance above, are restricted by the terms and nature of the grant. Finally, some assets represent "deposits" pledged to confirm the Council's intentions with respect to certain projects. Related accumulated income is included in some of the restricted balances. Details on the reserved balances are set out below:

Lafayette Elderly Housing Project	\$55,586	(FED Reserve)
South Elderly Housing Project	21,874	(FED Reserve)
Foundation on Aging	2,279	(Terms of grant)
Utility Assistance	1,345	(Terms of grant)
Miles for Meals	17,176	
Section 18 deposit	<u>9,500</u>	
Total Reserved Fund Balance	\$104,860	

Note 8 Designated Fund Balance

The Board of Directors has designated funds for future building repairs in the amount of \$5,158.

Note 9 Judgments, Claims, and Similar Contingencies

There is no litigation pending against the Council at June 30, 1985. 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.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 10 Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs 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 11 Program Year-Ends

all of the operating programs have a June 30 year-end, coinciding with the fiscal year of the Council, except for the Foster Grandparents Program, the Senior/Foster Grandparents Program, and the FEMA Program which are not funded through the Area Agency, and have a September 30 year-end. These statements reflect twelve months' activity for the above programs for the year ended June 30, 1996.

Note 12 Unrelated Business Income

The Council operates an activity which was determined for the year ended June 30, 1996, to be an activity "unrelated to the Council's tax exempt purpose" as that term is used in IRS regulations. The income of that activity (Brewnard House, a Special Revenue Fund) is, therefore, considered to be "unrelated business income" and is subject to Federal taxes. The expenses as reported in these financial statements comply with the accounting prescribed by the Governor's Office of Elderly Affairs. The Form 990 required by the IRS requires different accounting treatment, specifically with respect to "capital outlay expenditures" which for tax reporting must be capitalized and depreciated rather than totally expensed. The Council did not incur any capital outlay expenses during this reporting year.

The expenses of the Brewnard House as reported in these financial statements and in the Form 990 may be reconciled as follows:

Expenses per 990	\$10,943
Less: Depreciation expense	(7,723)
Expenses per financial statements	<u>\$ 3,220</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

Foster Grandparents Fund

The Foster Grandparents Fund is used to account for federal funds which are provided directly by the Corporation for National Service and state funds which are provided directly by the Louisiana Governor's Office of Elderly Affairs to pay for expenses incurred by low-income, senior citizens, age 68 and over, who have volunteered their time to assist in providing companionship and guidance for physically and mentally handicapped children and children who have been abused and neglected in the juvenile justice system, or have other special needs.

FCBA (Act 326)

FCBA (Act 326) 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.

Monitor/Foster Grandparents Program

The Monitor/Foster Grandparent Program is used to account for funds used to recruit, train and provide supervision to volunteers who will provide monitoring services to families being or having been investigated by the Office of Community Services for child abuse and neglect. The funds are provided by the U. S. Department of Health and Human Services through the State of Louisiana, Office of Community Services, which in turn "passes through" the funds to the Council.

LEGISLATIVE COUNCIL ON HEALTH, 1981

Operating Statement of Revenues, Expenditures, and Changes in Fund Balances -
 All Special Revenue Funds (Continued)
 Year Ended June 30, 1981

	1981	Community Base Budget	Revised of Specialists	Senior Officers	Total
Revenues:					
Intergovernmental	\$ 1,388	\$ -	\$ -	\$ -	\$ 1,388,070
Fees	-	-	-	-	88,528
Local and Miscellaneous	-	1,000	948	4,884	171,492
Other	-	-	-	-	34,576
Total revenues	<u>1,388</u>	<u>1,000</u>	<u>948</u>	<u>4,884</u>	<u>2,582,666</u>
Expenditures:					
Salaries	-	888	901	1,000	767,194
Fringe	-	87	49	88	75,099
Travel	-	-	5	100	52,140
Operating supplies	-	-	-	133	108,708
Operating supplies	-	-	-	1,267	27,117
Other costs	8,358	-	-	1,260	288,880
Capital Outlay	-	-	-	-	8,111
Other	-	-	-	-	86,110
Total expenditures	<u>8,358</u>	<u>975</u>	<u>955</u>	<u>3,657</u>	<u>1,395,319</u>
Excess (deficiency) of revenues over expenditures	<u>5,030</u>	<u>25</u>	<u>000</u>	<u>1,227</u>	<u>1,187,347</u>
Other Financing Sources (Uses):					
Operating transfers to	-	-	-	-	60,280
Operating transfers out	-	-	-	-	(178,189)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,280</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>5,030</u>	<u>25</u>	<u>000</u>	<u>1,227</u>	<u>1,247,627</u>
Fund balances (deficits), beginning of year	<u>1,118</u>	<u>88</u>	<u>328</u>	<u>3,638</u>	<u>77,502</u>
Fund balances (deficits), end of year	<u>\$2,148</u>	<u>\$ 113</u>	<u>\$ 328</u>	<u>\$4,865</u>	<u>\$ 1,325,129</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the Lafayette Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the governmental 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. 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 and Special Revenue Funds) use a modified financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Their 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 generally recognized under the modified accrual basis of accounting, 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 classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables and payables.

LAFALETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 3 Summary of Significant Accounting Policies (Continued)

c. Budget Policy

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

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

The Executive Director prepares a proposed budget based on the funding levels provided by OEAA 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.

LEFAYETTE COLLEGE ON ANNE, INC.

Notes to Financial Statements (Continued)

Note 1 Summary of Significant Accounting Policies (Continued)

B. 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. Entries in such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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) should be 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 in these financial statements. Donated fixed assets are stated at their estimated fair market value on the date donated.

J. Cash and Interest-Bearing Deposits

Cash and interest bearing deposits includes amounts in demand deposits and money market accounts.

K. Annual and Sick Leave

The Council's policy allows full-time employees to carry forward 15 days of unused annual leave, and 30 days of unused sick leave. Full-time employees earn 1 day of sick leave and 1 day of annual leave per month. An employee may be paid for 15 days of unused annual leave and any compensatory time accumulated upon separation. However, no days of unused sick

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

leave may be paid upon separation. The liability for accumulated unpaid vacation at June 30, 1996, is included in the General Long-Term Debt Account Group.

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 and Interest-Bearing Deposits

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 had cash and interest-bearing deposits (bank balances) totaling \$182,826 as follows:

Money market accounts	\$ 13,498
	<u>169,328</u>
Total	<u>\$182,826</u>

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 on 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	\$239,438
Federal deposit insurance	\$211,895
Pledged securities (Category 1)	<u>341,393</u>
Total	<u>\$792,726</u>

LAFAYETTE COUNCIL ON SCIENCE, INC.

Statement of Expenditures - Budget COMAF Basis and Actual -
All Special Revenue Funds
Year Ended June 30, 1998

	Budgeted	Actual	Variance - Favorable (Unfavorable)
Title III-B			
Salaries	\$148,488	\$148,188	\$ 297
Fringe	13,791	14,898	895
Travel	8,480	6,686	2,116
Operating services	43,787	42,277	1,310
Operating supplies	18,926	18,718	208
Other costs	3,758	3,321	437
	<u>\$236,830</u>	<u>\$233,086</u>	<u>\$ 3,744</u>
Title III-C.1			
Salaries	\$ 18,760	\$ 18,038	\$ 722
Fringe	3,158	3,088	290
Travel	394	887	(493)
Operating services	3,871	4,152	(281)
Operating supplies	1,126	1,256	(130)
Other costs	829	829	-
	<u>\$ 28,938</u>	<u>\$ 28,080</u>	<u>\$ 858</u>
Title III-C.2			
Salaries	\$ 87,899	\$ 88,760	\$(1,861)
Fringe	8,300	8,866	796
Travel	14,896	14,058	838
Operating services	17,290	18,761	(1,471)
Operating supplies	3,894	2,827	1,067
Other costs	2,353	2,353	-
	<u>\$134,632</u>	<u>\$135,625</u>	<u>\$ 993</u>
Title III-D			
Salaries	\$ 701	\$ 788	\$ 87
Fringe	71	86	(15)
Travel	2,318	1,989	329
Operating services	388	376	12
Operating supplies	30	28	2
Other costs	53	53	-
	<u>\$ 3,261</u>	<u>\$ 3,250</u>	<u>\$ 111</u>

(Continued)

LAFAYETTE COUNCIL OR #0180, 198.

Statement of Expenditures - Budget (GAAP Basis) and Actual -
Special Revenue Funds (Continued)
Year Ended June 30, 1998

	Budgeted	Actual	Variance - Favorable (Unfavorable)
Title III-E			
Salaries	\$ 1,420	\$ 1,444	\$ 190
Fringe	150	186	(44)
Travel	37	37	-
Operating services	990	945	35
Operating supplies	1,840	2,038	(198)
Other costs	601	187	500
Capital outlay	<u>2,211</u>	<u>1,985</u>	<u>218</u>
	<u>\$ 8,877</u>	<u>\$ 8,382</u>	<u>\$ 298</u>
Title Orange			
Salaries	\$ 2,660	\$ 2,155	\$ 1,010
Fringe	181	171	(10)
Travel	8	8	-
Operating services	8,441	8,281	150
Operating supplies	<u>150</u>	<u>435</u>	<u>(124)</u>
	<u>\$ 12,680</u>	<u>\$ 11,999</u>	<u>\$ 1</u>
Title Green			
Salaries	\$ 18,442	\$ 18,484	\$ 122
Fringe	1,185	1,048	37
Travel	8,117	8,563	(446)
Operating services	1,985	1,693	31
Operating supplies	142	153	8
Other costs	<u>282</u>	<u>228</u>	<u>(1)</u>
	<u>\$ 17,693</u>	<u>\$ 18,021</u>	<u>\$ (328)</u>
Title V - Rental Allow			
Salaries	\$481,288	\$484,250	\$ (2,962)
Fringe	86,868	77,123	8,745
Travel	4,344	2,176	2,168
Operating services	11,998	12,561	(563)
Operating supplies	2,812	2,948	(136)
Unfilled	<u>21,360</u>	<u>21,286</u>	<u>10,028</u>
	<u>\$549,870</u>	<u>\$540,304</u>	<u>\$ 9,566</u>

(Continued)

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 4 Loans and Interacting-Bearing Securities (Continued)

Pledged securities in Category 3 include 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. 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 Operating Transfers In, Out

	Funds transferring out-			
	Elderly Housing Management	Acc. 733	Unid Gover.	
Funds transferring in:				
Title 111-E-1	\$ -	\$ 248	\$ 2,026	
Title 111-E-2	-	2,989	15,974	
Title 111-E	-	13,723	-	
Title 111-F	54	-	-	
Outcomes	-	5,370	-	
Title 111-D	-	291	-	
	\$ 54	\$22,820	\$18,000	
	*****	*****	*****	
	Funds transferring out:			
	General	Elderly Center	Miscellaneous Grant	Total
Funds transferring in:				
Title 111-C-1	\$ -	\$ -	\$ -	\$ 2,371
Title 111-C-2	24,383	-	375	45,313
Title 111-E	2,791	32,840	4,123	92,409
Title 111-F	-	-	-	14
Outcomes	-	-	-	5,370
Title 111-D	-	-	-	281
	\$27,174	\$32,840	\$ 4,508	\$146,283
	*****	*****	*****	*****

LAFAYETTE COUNCIL ON SCIENCE, 1981.

Notes to Financial Statements (Continued)

Note 13 Changes in Long-Term Debt

	Balance June 30, 1979	Additions	Deletions	Balance June 30, 1980
Notes payable	\$48,380	\$ -	\$14,872	\$33,508
Accrued annual leave	<u>7,258</u>	<u>888</u>	<u>-</u>	<u>8,146</u>
Total	\$55,638	\$ 888	\$14,872	\$41,654

In 1981, the Council purchased the building that they are currently occupying. They signed a fifteen year loan with Lafayette Building Association on February 6, 1981, bearing interest at a variable rate, currently 7.625%, with monthly payments of \$889.

The annual requirements to amortize all debt outstanding at June 30, 1979, including interest payments of \$7,918, are as follows:

Year Ending June 30,

1979	\$18,800
1980	7,383
1981	7,383
1982	7,383
1983	7,383
1984 and thereafter	<u>5,000</u>
	\$55,638

Note 14 Deficit Fund Balance

The FEMA Program has a deficit fund balance of \$1,500 which is due to the program having a September 30 year-end and the program expends most of its allotted revenues by June 30. As the program year-end, the deficit balance will be eliminated.

SUPPLEMENTAL INFORMATION

EXAMPLES OF INDIVIDUAL FUNDS

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

NOTE 1 Summary of Significant Accounting Policies (Continued)

Community Base Program Fund

This fund is used to account for revenues and expenditures associated with the Council providing homemaker services to the elderly of the parish who are on the waiting list for the services provided by the Council. Revenue is derived from the persons utilizing the services.

Medicaid of Louisiana Fund

The Medicaid of Louisiana Fund is used to account for the revenue and expenditures associated with the services the Council rendered in being a Medicaid Enrollment Center.

Senior Olympics Fund

This fund is used to account for the revenues and expenditures associated with the Senior Olympics fundraising event.

Case Management Fund

The Case Management Fund is used to account for funds associated with the hosting of a minority intern at the Council. The intern will be trained in the necessary knowledge and skills for a management position in the Agency. This program is sponsored by the Louisiana Association of Councils on Aging, Inc.

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."

CAMBRIDGE COUNCIL ON ARMS, 1991

Operating Statement of Revenues, Expenditures, and Changes in Fund Balances -
 All Special Revenue Funds
 Year Ended June 30, 1990

	1989	1988	1987	1986	1985	1984
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Revenues:						
Intergovernmental	\$171,854	\$20,217	\$ 68,125	\$2,652	\$5,588	\$ 52,000
Program	9,358	9,799	26,989	-	-	-
Local and miscellaneous	2,538	-	44	-	-	-
Interest	-	-	-	-	-	-
Total revenues	<u>183,750</u>	<u>30,016</u>	<u>95,158</u>	<u>2,652</u>	<u>5,588</u>	<u>52,000</u>
Expenditures:						
Salaries	145,000	32,076	88,750	78	1,444	2,773
Travel	9,889	2,499	5,400	59	78	171
Printing	8,600	687	11,400	1,488	37	8
Operating supplies	22,277	4,151	16,711	225	505	8,091
Operating supplies	16,754	2,211	2,487	28	2,078	626
Other uses	2,211	484	2,121	31	187	-
Capital Outlay	-	-	-	-	1,895	-
Interest	-	-	-	-	-	-
Total expenditures	<u>204,731</u>	<u>38,068</u>	<u>126,869</u>	<u>1,371</u>	<u>4,987</u>	<u>11,688</u>
Excess (deficiency) of revenues over expenditures	<u>79,019</u>	<u>11,948</u>	<u>68,289</u>	<u>1,281</u>	<u>601</u>	<u>40,312</u>
Other financing sources (uses):						
Operating transfers in	98,640	2,271	61,117	58	76	-
Operating transfers out	(98,640)	(2,271)	(61,117)	(58)	(76)	(12,688)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

NOTE 1 Summary of Significant Accounting Policies (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 "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.

Substance Fund

The Substance 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. Substance 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.

Senior Community Service Employment Fund (SCSEP)

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 Department of Labor through the National Council of Senior Citizens which in turn "passes through" the funds to the Council.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

Title III C-2 Home Delivered Meals Fund

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

Title III-D Fund

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

Title III-F Fund

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

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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:

Local

Local funds are received from various local sources.

Special Revenue Funds

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

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

Title III-B Reproductive 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.

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.

LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 6 Interfund Receivables - Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ 7,490	\$51,404
Booster Organizations	-	1,743
Community Base Program	300	-
Elderly Housing Management	46,174	-
Family Caregiving Network	9,231	-
Senior Center	30	-
Title III-C-1	1,518	-
Title III-C-2	2,709	-
Bronxward House	12,896	-
Senior Olympics	7,815	-
Medicaid of Louisiana	-	114
YMCA	-	1,500
Title III-E	1,350	-
Title III-F	<u>322</u>	<u>-</u>
	<u>\$88,894</u>	<u>\$58,894</u>

Note 7 Reserved Fund Balance

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by fund source for the year ended June 30, 1996:

	Balance July 1, 1995	Revenue July 1, 1995 - June 30, 1996	Disbursements July 1, 1995 - June 30, 1996	Balance June 30, 1996
ODE Status Utilities (Project Care)	\$ 32	\$3,274	\$3,941	\$2,365

The Council has other assets which are restricted in their application by virtue of the donor's intention or commitment already disclosed in the notes to the Council. These amounts are also reported as reserved fund balance. These include sweep-type deposits required by the U.S. Department of Housing and Urban Development (HUD) in connection with

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures, and
Change in Fund Balance - General Fund
Year Ended June 30, 1986

Total and Miscellaneous:	
DHS Revenue	\$ 2,428
Parish Council	10,000
Office rental	15,286
Newspaper	176
Treatment Income	3,100
Project Cafe	5,278
City of Baton Rouge	5,800
Bills for meals	12,662
Donations	2,851
Miscellaneous	2,350
Total revenues	<u>61,851</u>
Expenditures:	
Current -	
Travel	456
Operating services	30,513
Operating supplies	750
Other costs	18,912
Capital outlay	<u>3,112</u>
Total expenditures	<u>53,743</u>
Excess of revenues over expenditures	<u>8,108</u>
Other financing uses:	
Operating transfers out	<u>(28,686)</u>
Excess of expenditures and other uses over revenues	<u>(20,578)</u>
Fund balance, beginning of year	<u>206,888</u>
Fund balance, end of year	<u>\$ 186,310</u>

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

Accounting Controls	Administrative Controls	
	General Requirements	Specific Requirements
Receipts/Revenues Disbursements/Expenditures Payroll	Political Activity Civil Rights Cash Management Federal Financial Reports Allowable Costs/Cost Principles Drug-Free Workplace Act Administrative Requirements	Eligibility Types of services allowed or unallowed Matching, level of effort, or earmarking amounts claimed or used for matching Reporting Claims for Advancement and Reimbursement 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 Lafayette Council on Aging, Inc. expended 34% of its total federal financial assistance under its major federal financial assistance program, Title V - Senior Aides.

We performed tests of controls, as required by OIG Circular A-126, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned major program. 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.

LAFAYETTE COUNCIL OF WOMEN, INC.

Schedule of Corrective Action Taken on Final Year Findings
Year Ended June 30, 1998

There were no prior year findings.

LAFAYETTE COUNCIL ON SCIENCE, INC.

Schedule of Reimbursements 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:

Lacy Abernethy	\$ 88
William Faboss	218
Bill Winchester	34
Louis River	<u> </u>
	240
	<u> </u>

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Federal Financial Assistance
Year Ended June 30, 1996

Program Title	Federal CFDA Number	Program or Grant Amount	Revenue Recognized	Expenditures
Department of Health & Human Services				
Funded through the Louisiana Governor's Office of Elderly Affairs:				
Title III-B-Supplemental Services	93.006	\$ 80,422	\$ 80,422	\$ 80,422
Title III-G-1-Congregate meals	93.040	20,350	20,350	20,350
Title III-C-2-Home delivered meals	93.040	8,897	8,897	8,897
Title III-D-In-home services	93.040	2,252	2,252	2,252
Title VII - Chapter 2 - Delandamir	93.042	18,566	20,566	18,566
Title III-F-Preventive Health Services	93.063	<u>4,323</u>	<u>4,323</u>	<u>4,323</u>
		<u>122,820</u>	<u>122,820</u>	<u>122,820</u>
Funded through the State of Louisiana, Office of Community Services:				
Social Services Block Grant: Project #1308264	93.047	<u>3,858</u>	<u>3,858</u>	<u>3,858</u>
		<u>122,282</u>	<u>122,282</u>	<u>122,282</u>
Corporation for National Service				
Foster Grandparents	73.001	<u>222,152</u>	<u>222,152</u>	<u>222,152</u>
DEPARTMENT OF LABOR				
Funded through the National Council of Senior Citizens, Inc.:				
Title V - Senior Aide*	17.209	<u>482,068</u>	<u>482,068</u>	<u>482,068</u>
Federal Emergency Management Agency				
Funded through United Way of Acadiana:				
Emergency Food and Shelter Program	83.316	<u>3,180</u>	<u>3,180</u>	<u>3,180</u>
		<u>895,242</u>	<u>895,242</u>	<u>895,242</u>

*Denotes a major program

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report on Schedule of Federal Financial Assistance

The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 1996. These general purpose financial statements are the responsibility of the Lafayette Council on Aging, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular 4-178, "Audit of State and Local Governments." These standards and OMB Circular 4-178 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Darnall, Sikes, Kolder, Frederick & Rainey

A Corporation of Certified Public Accountants

Monroe, Louisiana
August 13, 1996

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LAFAYETTE COUNCIL ON AGING, INC.

Notes to Financial Statements (Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

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

C. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Lafayette 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 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, fund equity, revenues and expenditures. Resources are allocated to and accounted for its individual funds based upon the purposes for which they are to be 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 balance 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:

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

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The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 1996.

We have applied procedures to test Lafayette Council on Aging, Inc.'s compliance with the following requirements applicable to its federal financial assistance program, 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 cost/basis 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 Lafayette 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 these 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 Lafayette Council on Aging, Inc. had not complied, in all material respects, with these 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

Monroe, Louisiana
August 13, 1996

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THE AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
AND A CORPORATION OF
CERTIFIED PUBLIC ACCOUNTANTS

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 certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 Entrustment 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.

Proper Approval of Disbursements and Travel Reports

Finding:

Two of the 20 requests for disbursements from the Title V Program listed lacked the proper approval of the program director as required by policy.

Recommendation:

The Council should implement procedures to insure all requests for disbursements are approved by the program director before disbursements are made.

Response:

The Council will implement the necessary procedures to insure that all requests for disbursements are properly authorized.

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INDEPENDENT MEMBER FIRM 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

MEMBER FIRM ACCOUNTANTS

MEMBER FIRM ACCOUNTANTS

MEMBER FIRM ACCOUNTANTS

MEMBER FIRM ACCOUNTANTS

MEMBER FIRM ACCOUNTANTS

The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 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-133, "Standards of State and Local Governments." These standards and OMB Circular A-133 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 Lafayette 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, procedures of one evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Lafayette Council on Aging, Inc. for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With

MEMBER FIRM ACCOUNTANTS

NO. 8686 per Job Classification

Finding:

The pay rate used to calculate the employee's salary for the pay period selected differed from the pay rate per the individual's personnel folder on three of ten payroll disbursements tested from the Title 3 Program. In two of the three instances noted, the pay rate per the personnel folder was incorrect based on the pay rate approved per the fiscal budget. In the third instance noted, the employee's pay rate used to calculate the employee's salary for the pay period selected did not agree to the employee's personnel folder nor the approved budget. As a result, the employee was underpaid 3.10 per hour for approximately six weeks through June 30, 1996.

Recommendation:

The Council should implement procedures to insure personnel files and payroll documents are updated and maintained in such a manner to ensure that personnel are paid according to their job classification and approved budget rates.

Response:

The Council will implement the necessary procedures to insure that all employees are paid in accordance with approved pay rates based on their job classification and approved rates per the adopted budget.

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 factors 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 conditions described above are material weaknesses.

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.

Dornall, Stiles, Kaldor, Frederick & Spivey

A Corporation of Certified Public Accountants

OTHER SUPPLEMENTARY INFORMATION

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

INDEPENDENT AUDITORS
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1. LAFAYETTE CO. INC.
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3. LAFAYETTE CO. INC.
4. LAFAYETTE CO. INC.
5. LAFAYETTE CO. INC.
6. LAFAYETTE CO. INC.
7. LAFAYETTE CO. INC.
8. LAFAYETTE CO. INC.

MEMBER
FEDERAL RESERVE SYSTEM

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

1. LAFAYETTE CO. INC.
2. LAFAYETTE CO. INC.
3. LAFAYETTE CO. INC.
4. LAFAYETTE CO. INC.
5. LAFAYETTE CO. INC.
6. LAFAYETTE CO. INC.
7. LAFAYETTE CO. INC.
8. LAFAYETTE CO. INC.

1. LAFAYETTE CO. INC.
2. LAFAYETTE CO. INC.
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4. LAFAYETTE CO. INC.
5. LAFAYETTE CO. INC.
6. LAFAYETTE CO. INC.
7. LAFAYETTE CO. INC.
8. LAFAYETTE CO. INC.

The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1986, and have issued our report thereon dated August 13, 1986. We have also audited the compliance of Lafayette Council on Aging, Inc. with requirements applicable to major Federal financial assistance programs and have issued our report thereon dated August 13, 1986.

We conducted our audits in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments." These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the Lafayette Council on Aging, Inc. complied with laws and regulations, noncompliance with which would be material to a major Federal financial assistance program.

In planning and performing our audit for the year ended June 30, 1986, we considered the Council's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the Council's general purpose financial statements and on its compliance with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 13, 1986.

The management of the Lafayette 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

MEMBER OF
FEDERAL RESERVE SYSTEM
EQUIPMENT FINANCING CORPORATION
MEMBER OF THE NATIONAL
AUTOMATED CLEARING AND SETTLEMENT
ASSOCIATION

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Exit Conference
Year Ended June 30, 1996

An exit conference was held on October 18, 1996, with the Lafayette Council on Aging, Inc. Its attendance were:

Shannon Brunsard, Cajon Area Agency
Ellis Andrus, Bookkeeper
Clara LaRiano, Executive director
Clara Hernandez, Board member
Paula Kilm, CPA

We reported on the results of our audit and our discovery of material weaknesses in internal control, which are reported on page 36.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions 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 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.

Proper Approval of Disbursements and Travel Reports

Finding:

Two of the 29 requests for disbursements from the Title V Program tested lacked the proper approval of the program director.

Recommendation:

The Council should implement procedures to insure all requests for disbursements are approved by the program director before disbursements are made.

Response:

The Council will implement the necessary procedures to insure that all requests for disbursements are properly authorized.

Pay Rate per Job Classification

Finding:

The pay rate used to calculate the employee's salary for the pay period selected differed from the pay rate per the individual's personnel folder on three of ten payroll disbursements tested. In two of the three instances

LAFAYETTE COLLEGE OF ARTS, INC.

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

	Budgeted	Actual	Variance - Favorable (Unfavorable)
Feaster Grandparents Program			
Salaries	\$ 19,300	\$ 18,504	\$ (1,796)
Fringe	5,288	5,170	118
Travel	1,801	5,877	(2,876)
Operating services	4,800	18,026	(5,226)
Operating supplies	678	2,085	(1,407)
Other costs	285,570	280,644	(2,874)
Capital outlay	600	600	-
In-kind	63,312	63,312	-
	<u>\$290,309</u>	<u>\$360,638</u>	<u>\$113,421</u>
Feaster/Feaster Grandparents			
Salaries	\$ 515	\$ 515	\$ -
Fringe	59	59	-
Other costs	<u>2,181</u>	<u>2,181</u>	<u>-</u>
	<u>\$ 2,475</u>	<u>\$ 2,475</u>	<u>\$ -</u>
Programs/Alms			
Salaries	\$ 1,800	\$ 988	\$ 12
Fringe	78	78	13
Travel	44	52	18
Operating services	8,379	8,317	462
Operating supplies	<u>100</u>	<u>86</u>	<u>14</u>
	<u>\$ 9,799</u>	<u>\$ 8,320</u>	<u>\$ 479</u>
Elderly Housing Management			
Salaries	\$ 4,500	\$ 4,949	\$ (449)
Fringe	891	886	13
Travel	50	181	(53)
Other costs	2,243	1,282	1,000
Capital outlay	<u>1,828</u>	<u>3,836</u>	<u>(2,388)</u>
	<u>\$ 9,182</u>	<u>\$ 11,034</u>	<u>\$ (1,854)</u>

(Continued)

noted, the pay rate per the personnel folder was incorrect based on the pay rate approved per the final budget. In the third instance noted, the employee's pay rate used to calculate the employee's salary for the pay period selected did not agree to the employee's personnel folder nor the approved budget. As a result, the employee was underpaid \$.10 per hour for approximately six weeks through June 30, 1988.

Recommendation:

The Council should implement procedures to insure personnel files and payroll documents are updated and maintained in such a manner to ensure that employees are paid according to their job classifications and approved budget rates.

Response:

The Council will implement the necessary procedures to insure that all employees are paid in accordance with approved pay rates based on their job classification and approved rates per the adopted budget.

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 conditions described above are material weaknesses.

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.

Dornall, Silge, Kaldor, Frederick & Rainey

Corporation of Certified Public Accountants

Burice, Louisiana
August 15, 1988

LAFAYETTE COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1995

	Balance June 30, 1994	Admissions	Deletions	Balance June 30, 1995
General fixed assets, at cost:				
Buildings	\$104,055	\$ -	\$ -	\$104,055
Land	60,000	-	-	60,000
Leasehold improvements	28,911	-	-	28,911
Furniture & fixtures	118,829	9,552	23,708	104,673
Vehicles	52,288	-	-	52,288
Total general fixed assets	\$363,283	\$9,552	\$23,708	\$349,127
Investment in general fixed assets:				
Title III-B	\$ 3,185	\$ -	\$ -	\$ 3,185
Title III-C-1	3,408	-	179	3,229
Title III-C-2	3,519	-	-	3,519
Senior Center	18,364	-	3,088	15,276
PCOA	6,885	-	30	6,855
Land	732,507	3,119	11,617	723,999
Title III-C	3,293	-	1,860	1,433
Title III-F	6,180	1,998	183	7,995
Senior Grandparents	1,454	680	1,850	1,284
Elderly Housing Management	46,755	3,838	-	50,593
Total investment in general fixed assets	\$813,381	\$8,535	\$17,567	\$804,349

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Independent Auditor's Report on Compliance with Specific Requirements Applicable to Major Federal Financial Assistance Programs

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The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 15, 1996.

We have also audited the Lafayette Council on Aging, Inc.'s compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; special provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance programs, which is identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1996. Management of the Lafayette Council on Aging, Inc. is responsible for the Lafayette Council on Aging, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Lafayette Council on Aging, Inc.'s compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Lafayette Council on Aging, Inc. complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or earmarking; reporting; special provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to its major federal financial assistance program for the year ended June 30, 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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The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1996, and have issued our report thereon dated August 13, 1996.

In connection with our audit of the general purpose financial statements of the Lafayette Council on Aging, Inc., and with our consideration of the Council's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget (OMB) Circular A-133, "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-133, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort; or cost-sharing; reporting; claims for advancement and reimbursement; 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 these 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 Lafayette Council on Aging, Inc. had not complied, in all material respects, with these 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

Monroe, Louisiana
August 13, 1996

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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.

Darvall, Sikes, Ryden, Frederick & Rivington

A Corporation of Certified Public Accountants

Baton Rouge, Louisiana
August 23, 1998

INTERNAL CONTROL, COMPLIANCE
AND
OTHER GRANT INFORMATION

LAFAYETTE COUNCIL ON AGING, INC.

Statement of Expenditures - Budget COMBAT Mental and Mental -
Special Revenue Funds (Continued)
Year Ended June 30, 1998

	Budgeted	Actual	Variance - Favorable (Unfavorable)
Familyaring Network			
Salaries	\$ 421	\$ 368	\$ 53
Fringe	35	38	5
Travel	185	153	32
Operating supplies	120	141	(21)
Other costs	<u>1,380</u>	<u>1,916</u>	<u>(536)</u>
	<u>\$4,341</u>	<u>\$ 4,587</u>	<u>\$ (246)</u>
EDM			
Other costs	<u>\$4,184</u>	<u>\$ 8,358</u>	<u>\$42,344</u>
Community Rate Financing			
Salaries	\$ 854	\$ 828	\$ 26
Fringe	<u>89</u>	<u>62</u>	<u>23</u>
	<u>\$ 943</u>	<u>\$ 890</u>	<u>\$ 53</u>
Residual of Business			
Salaries	\$ 389	\$ 341	\$ 48
Fringe	24	49	(25)
Travel	<u>3</u>	<u>8</u>	<u>(5)</u>
	<u>\$ 416</u>	<u>\$ 398</u>	<u>\$ 18</u>
Senior Olympics			
Salaries	\$ 1,080	\$ 1,080	\$ -
Fringe	45	38	7
Travel	26	108	(82)
Operating services	111	513	(402)
Operating supplies	1,347	1,547	(200)
Other costs	<u>520</u>	<u>1,328</u>	<u>(808)</u>
	<u>\$ 2,129</u>	<u>\$ 4,517</u>	<u>\$ (2,388)</u>

DARNALL, SIKES, KOLDER, FREDERICK & RAINEY

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The Board of Directors
Lafayette Council on Aging, Inc.
Lafayette, Louisiana

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

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We have audited the general purpose financial statements of the Lafayette Council on Aging, Inc., as of and for the year ended June 30, 1986, and have issued our report thereon dated August 13, 1986.

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-138, "Audits of State and Local Governments." These standards and OMB Circular a-138 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

Compliance with laws, regulations, contracts, and grants applicable to the Lafayette 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 Lafayette 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

Baton Rouge, Louisiana
August 13, 1986

MEMBER OF
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