

RECEIVED
LEGISLATIVE AUDITOR
NOV 19 1987

OFFICIAL
FILE COPY

DO NOT SIGN OUT

Date received
copy from this
copy and PLACE
NAME in FILE

Financial Report

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 1986

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

Release Date FEB 19 1987

TABLE OF CONTENTS

Financial Report

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 1996

1.	INDEPENDENT AUDITOR'S REPORT	1
2.	INTERNAL CONTROL REPORTS:	
•	Independent Auditor's Report on the Internal Control Structure Based on an Audit of General Purpose Financial Statements Performed in Accordance With Government Auditing Standards	3
•	Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs	6
3.	COMPLIANCE REPORTS:	
•	Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with Governmental Auditing Standards	10
•	Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs	13
•	Independent Auditor's Report on Compliance with Specific Requirements Applicable to Former Federal Financial Assistance Programs	14
4.	GENERAL PURPOSE FINANCIAL STATEMENTS:	
•	Combined Balance Sheet - All Fund Types and Account Group(s) - June 30, 1996	16
•	Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - All Governmental Fund Types - For the Year Ended June 30, 1996	18
•	Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General Fund - For the Year Ended June 30, 1996	18

4. GENERAL PURPOSE FINANCIAL STATEMENTS: - (continued)

- Statement of Revenues, Expenditures and Changes in Fund Balance (Deficit) - Budget (GAAP Basis) and Actual - Special Revenue Fund - For the Year Ended June 30, 1996 28
- Notes to Financial Statements 31

5. SUPPLEMENTARY FINANCIAL INFORMATION:

- Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund - For the Year Ended June 30, 1996 . . . 30
- Schedule 2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds - For the Year Ended June 30, 1996 52
- Schedule 3 - Schedule of Expenditures - Budget vs Actual - Grants Provided Through the Governor's Office of Elderly Affairs (GEA) 53
- Schedule 4 - Comparative Statement of General Fixed Assets and Changes in General Fixed Assets . 55
- Schedule 5 - Schedule of Federal Financial Assistance 67
- Schedule 6 - Schedule of HWF Activity - For the Grant Year Ended December 31, 1996 88

- 6. SCHEDULE OF FINDINGS AND QUESTIONED COSTS 60
- 7. SCHEDULE OF REPORTABLE CONDITIONS, INSTANCES OF NONCOMPLIANCE, AND RECOMMENDATIONS 61
- 8. CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS 68
- 9. EXIT CONFERENCE 84

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT
14481 OLD HEMLOCK DRIVE, SUITE 2
BAYTOWN BOULEVARD, LOUISIANA, PORT 0

PHONE (504) 878-1177

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the accompanying general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana (the Council), as of and for the year ended June 30, 1986, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-130, Standards of State and Local Governments. Those standards and OMB Circular A-130 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of June 30, 1986, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report (see page 3) dated October 21, 1986, on my consideration of East Baton Rouge Council on Aging, Inc.'s internal control structure and a report (see page 12) dated October 12, 1986, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose

financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
October 11, 1988.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 D.L.D. MEMORIAL HIGHWAY SUITE A

BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
NATIONAL INSTITUTE OF CPAs

PHONE (504) 279-1122

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

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.,
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, (the Council) as of and for the year ended June 30, 1996, and have issued my report thereon dated October 11, 1996.

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

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

In planning and performing my audit of the general purpose financial statements of East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an

understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

The reportable conditions have been more fully discussed on pages 61 to 63 of this report. The following are summaries of the reportable conditions:

- There are situations where the design of the internal control structure is inadequate.
- There is evidence of failure to perform tasks that are a part of the internal control structure.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, for the year ended June 30, 1998.

- There are situations where the design of the internal control structure is inadequate.
- There is evidence of failures to perform tasks that are a part of the internal control structure.

I also noted other matters involving the internal control structure and its operations that I have reported to the management of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, during our exit conference on December 3, 1996. I have documented those matters that were discussed on pages 84 to 86 of this report.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, The Corporation for National and Community Service, City of Baton Rouge, Louisiana, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

Neil D. Farsani, CPA

Baton Rouge, Louisiana,
October 11, 1996.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HANCOCK ROAD, SUITE 4
BATON ROUGE, LOUISIANA 70802

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
NATIONAL INSTITUTE OF CPAs

PHONE (504) 835-1177

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE OVER THE ADMINISTRATION FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, (the Council) as of and for the year ended June 30, 1994, and have issued my report thereon dated October 11, 1994.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1994, I considered the internal control structure of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, in order to determine my auditing procedures for the purpose of expressing my opinion on the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana's, general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-133. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated October 11, 1994 (see page 2).

The management of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded

against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

- cash balances
- Grants, public support, program service fees, other revenues, and receivables
- Prepaid expenses
- Property and equipment
- Accounts payable
- Fund balances
- Expenditures for goods and services
- Payroll expenses and related liabilities
- Government financial assistance programs:
 - General requirements:
 - Political activity
 - civil rights
 - cash management
 - Federal financial reports
 - Allowable costs/cost principles
 - Drug-free Workplace Act
 - Administrative requirements
 - Specific requirements:
 - Type of services allowed or unallowed
 - Eligibility
 - Matching, level of effort, or cost-sharing and allowability of amounts claimed or used for matching
 - federal financial reports and claims for advances and reimbursements
 - Cost Allocation
 - Voluntary contributions by participants
 - Special reports

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.

My 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, I noted the following matters involving the internal control structure and its operations that I consider to be material weaknesses, as defined above. These conditions were considered in my audit of the financial statements of East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, for the year ended June 30, 1996.

- There are situations where the design of the internal control structure is inadequate.
- There is evidence of failure to perform tasks that are a part of the internal control structure.

I also noted other matters involving the internal control structure and its operations that I have reported to the management of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana during our exit conference on December 5, 1996. I have documented those matters that were discussed on pages 24 to 26 of this report.

This report is intended for the information of the Board of Directors, management, the Legislative Auditor of the State of Louisiana, The Corporation for National and Community Service, City of Baton Rouge, Louisiana, and the Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

Neil B. Ferranti, CPA

Baton Rouge, Louisiana,
October 11, 1996.

NEIL G. FERRARI

CHARTERED PUBLIC ACCOUNTANT

14421 OLD HAMPSHIRE HIGHWAY, SUITE 4

BATON ROUGE, LOUISIANA 70818

PHONE (504) 835-1227

MEMBER OF THE
INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

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

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.,
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana (the Council), as of and for the year ended June 30, 1994, and have issued my report thereon dated October 11, 1994.

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

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

The results of my tests of compliance disclosed no instances that are required to be reported under Government Auditing Standards.

I noted certain immaterial instances of noncompliance that I have reported to and discussed with the management of East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana. See the Schedule of Reportable Conditions, Instances of Noncompliance and Recommendations on pages 41 to 67 and the Exit Conference Discussion on pages 84 to 86.

This report is intended for the information of the Council's Board of Directors, management, Governor's Office of Elderly Affairs, The Corporation for National and Community Service, City of Baton Rouge, Louisiana, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Neil D. Ferroni, CPA

Baton Rouge, Louisiana,
October 11, 1998.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14421 OLD LEBLANCHE LEBLANCHE BLVD. A
BATON ROUGE, LOUISIANA 70818

PHONE (824) 872-1177

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

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

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, (the Council) as of and for the year ended June 30, 1994, and have issued my report thereon dated October 11, 1994.

I have applied procedures to test the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana's compliance with the following requirements applicable to each of its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1994:

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Deeg-Prese Workplace Act
- Administrative requirements

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

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

procedures disclosed some immaterial instances of noncompliance with these requirements, which were reported and discussed with the management of East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana. See the Schedule of Reportable Conditions, Instances of Noncompliance, and Recommendations on pages 81 to 87 and the Exit Conference Discussion on pages 94 to 96.

This report is intended for the information of the Council's Board of Directors, Management, Governor's Office of Elderly Affairs, The Corporation for National and Community Service, City of Baton Rouge, Louisiana, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Neil D. Ferranti, CPA

Baton Rouge, Louisiana,
October 11, 1996.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14487 OLD HANCOCK ROAD, SUITE 4
BATON ROUGE, LOUISIANA 70815

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

PHONE (504) 278-1177

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

To the Board of Directors,
East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana (the Council), as of and for the year ended June 30, 1996, and have issued my report thereon dated October 11, 1996.

In connection with my audit of the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, and with my consideration of the Council's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-129, Audits of State and Local Governments, I selected certain transactions applicable to certain major federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-129, I have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; eligibility; matching; level of effort, or earmarking; and allowability of amounts claimed or used for matching; federal financial reports and claims for advances and reimbursements; cost allocation; voluntary contributions by participants; and special reporting. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Council's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana had not complied, in all material respects, with these requirements. However, the results of my procedures disclosed some immaterial instances of noncompliance with those requirements, which were discussed with the management of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana. See the Schedule of Reportable Conditions, Instances of Noncompliance and Recommendations on pages 81 to 87 and the Exit Conference discussion on pages 84 to 84.

This report is intended for the information of the Council's, Board of Directors, management, The Corporation for National and Community Service, Governor's Office of Elderly Affairs, City of Baton Rouge, Louisiana, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Neil P. Fermani, CPA

Baton Rouge, Louisiana,
October 11, 1996.

DEPT. MOTOR BOARD SOURCE OF FUNDS, INC., BOSTON BRANCH, LISTING 8088
 COMPANED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 June 30, 1994

Continued

General	Special Services	Agency	Fiduciary		Receipts (Income)			Totals
			April 1994	May 1994	General	Special	(Non-restricted For)	
					Fund	Accounts	Fees	
\$25,000	\$ 41,200	-	-	-	-	-	-	\$ 262,175
-	37,000	70,000	-	-	-	-	-	12,000
-	80,000	-	-	-	-	-	-	2,000
11,000	100	-	-	-	-	-	-	80,000
12,000	-	-	-	-	-	-	-	11,500
-	-	-	-	-	-	-	-	10,000
9,000	45,000	-	-	-	-	-	-	65,000
4,000	-	-	-	-	-	-	-	4,000
15,000	-	-	-	-	-	-	-	15,000
-	-	-	-	-	200,000	-	-	200,000
-	-	-	-	-	-	-	200,000	10,000
\$40,000	\$ 107,200	\$ 70,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,000,700

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,000
-	50,000	-	-	-	-	-	-	50,000
4,000	-	-	-	-	-	-	-	4,000
-	-	-	-	-	-	-	-	100
-	8,000	50,000	-	-	-	-	-	60,000
-	-	-	-	40,000	-	-	-	40,000
-	-	-	-	-	-	11,000	-	11,000
-	-	-	-	-	-	13,000	-	13,000
4,000	85,000	50,000	-	100,000	100,000	100,000	100,000	850,000

(Amounts in thousands of local dollars)

ASSETS AND OTHER DEBITS

300001
 Cash
 Restricted component fund's investments
 Grants and contracts receivable
 Accounts and other receivables
 Prepaid expenses
 Inventory - 9000/Supplies - 45 0000
 Non-restricted assets
 Due from Special Services Fund
 Special Services' non-restricted investments
 Fund assets
 Other debits
 Amount to be provided for net net long-term debt

LIABILITIES, NET DEBITS, AND OTHER CREDITS

30000101
 Payroll liabilities
 Advances from funding agencies
 Payables and other accounts
 Deferred income
 Due to Special Fund
 Restricted component due employees
 Unrestricted capital available
 Other payables
 Capital lease liabilities payable
 Special deposits/funds

The accompanying notes are an integral part of this statement.

BOAT HARBOR BOKEE COUNCIL ON ACING, INC.
 BOKEE HARBOR, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
 ALL GOVERNMENTAL FUND TYPES

For the year ended June 30, 1998

	General	Special Revenues	Totals (Governmental Only)	
			1998	1997
REVENUES				
Intergovernmental	\$ 768,251	\$1,048,413	\$1,048,413	\$1,947,265
Interest income	8,480	28	8,508	4,879
Public supports				
Unrestricted	9,554	-	9,554	6,808
Restricted	8,820	168,209	177,029	184,808
Program service fees	813,350	-	813,350	524,437
Special events	25,427	3,722	29,149	50,458
Miscellaneous	28,483	3,058	31,541	43,333
Total revenues	1,982,864	1,413,548	3,023,684	3,184,389
EXPENDITURES				
Current:				
Salaries	682,328	793,343	1,375,671	1,348,938
Fringe	82,429	128,323	208,652	211,718
Travel	12,425	33,778	44,197	32,587
Operating supplies	227,027	133,233	378,238	256,283
Operating supplies	38,426	48,503	86,929	75,338
Other costs	45,928	18,438	64,367	121,618
Fuel service	-	12,582	12,582	9,428
Rents	17,442	294,187	298,649	268,495
Capital outlay	118,021	-	118,021	28,148
Utility maintenance	-	43,778	43,778	33,124
Debt service:				
Principal retirement	45,127	-	45,127	25,208
Interest	18,822	-	18,822	21,172
Total expenditures	1,518,925	1,978,834	3,408,458	3,488,278
Excess of revenues over (under) expenditures	222,481	(564,174)	187,288	184,615
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	275,148	275,148	186,672
Operating transfers out	(128,145)	(154,803)	(275,148)	(135,672)
Proceeds from capital lease obligations	82,168	-	82,168	22,278
Excess of revenues and other sources over (under) expenditures and other uses	182,474	40,874	242,448	120,413
FUND BALANCE				
Beginning of year-as revised (Note 14)	283,148	32,247	323,228	3,882
End of year	\$ 465,622	\$298,921	\$ 764,544	\$ 127,298

The accompanying notes are an integral part of this statement.

EAST BAYON BOULE COUNCIL ON BEHALF, INC.
BAYON BOULE, LOUISIANA

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

For the year ended June 30, 1984

	Budget	Actual	Variance Favorable Unfavorable
REVENUES			
Intergovernmental	\$ 788,250	\$ 788,250	\$ -
Interest income	-	8,488	8,488
Public support	38,450	35,478	(2,972)
Program service fees	487,124	572,780	85,656
Special events	37,878	38,427	549
Miscellaneous	62,255	59,482	(2,773)
TOTAL REVENUES	1,373,957	1,332,825	(41,132)
EXPENDITURES			
Current:			
Salaries	544,274	580,390	(36,116)
Fringe	38,467	80,809	(42,342)
Travel	38,727	32,424	6,303
Operating services	277,451	277,897	446
Operating supplies	39,287	29,876	9,411
Other costs	34,388	88,828	(54,440)
Public	38,128	33,442	4,686
Capital outlay	12,289	128,821	(116,532)
Debt service	-	88,347	88,347
Total expenditures	1,008,625	1,130,332	(121,707)
Excess of revenues over (under) expenditures	365,332	202,493	(162,839)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	"	"	"
Operating transfers out	(508,728)	(128,348)	380,380
Proceeds of capital lease obligations	-	88,388	88,388
Excess of revenues and other sources over (under) expenditures and other uses	38,604	162,473	(123,869)
FUND BALANCE (DEFICIT)			
Beginning of year - as restated (Note 24)	261,345	261,345	
End of year	\$ 299,949	\$ 423,818	\$ 123,869

The accompanying notes are an integral part of this statement.

SEAT HATCH BOARD COUNCIL OF SEINE, INC.
SEAT HATCH, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)
BUDGET (LUMP SUMS) AND ACTUAL - SPECIAL REVENUE FUND

FOR THE YEAR ENDED June 30, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$1,338,480	\$1,388,829	\$ 50,349
Interest	"	30	30
Public support	175,664	168,385	(7,279)
Special events	"	1,122	1,122
Miscellaneous	"	1,000	1,000
Total revenues	1,514,144	1,559,266	45,122
EXPENDITURES			
Current:			
Salaries	802,607	792,347	10,260
Fringe	181,888	198,573	16,685
Travel	30,533	31,772	(1,239)
Operating services	159,554	133,333	26,221
Operating supplies	59,475	60,504	(1,029)
Other costs	45,000	20,459	24,541
Fuel motor	38,855	38,852	3
Meals	205,422	244,187	(38,765)
Utility assistance	22,282	52,129	(29,847)
Total expenditures	1,604,126	1,651,621	(47,495)
Excess of revenues over (under) expenditures	909,744	104,171	805,573
OTHER FINANCING SOURCES (USES)			
Operating transfers in	440,547	378,146	62,401
Operating transfers out	(1200,201)	(1285,082)	84,881
Excess of revenues and other sources over (under) expenditures and other uses	-	60,074	\$ 60,074
FUND BALANCE (DEFICIT)			
Beginning of year	41,837	41,837	
End of year	\$ 45,947	\$ 101,911	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

June 30, 1986

Note 1 - Summary of Significant Accounting Policies.

a. Reporting Entity:

In 1984, the State of Louisiana passed Act 484 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues, other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the East Baton Rouge Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Services provided by the Council include congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homecare, operating senior centers, dislocated services, and outreach. A Board of Directors, consisting of 12 voluntary members who serve three-year terms, governs the Council.

Before January 1, 1982, the Council operated as part of the City of Baton Rouge. Effective January 1, 1982, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. It 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.

Note 1- Summary of Significant Accounting Policies - (continued)

b. Basis of Presentation for the Financial Statements:

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1988, the GASB issued a Codification of Governmental Accounting and Financial Reporting Standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

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

c. Fund Accounting:

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

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

Note 3 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

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

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

• General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

LOCAL

The Council sponsors a variety of programs to serve its elderly clientele as part of the local component of the General Fund. Some of the more significant programs are as follows:

- The Council provides personal care attendants who are certified nursing assistants to perform in-home medical and homemaker type services.
- The Council operates a SeniorNet Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of senior citizens.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

• General Fund - (continued)

Local - (continued)

- The Council sponsors special activities for senior citizens such as an annual fishing rodeo, an Easter party, a Christmas party, and tea dances.
- The Council provides health screening services and flu shots to enable senior citizens to prevent or detect health problems.
- The Council provides a consignment store, called the Crafts of Distinction, to enable senior citizens to market their crafts.

Local funds are also provided as transfers to special revenue funds to supplement those programs. In addition, most of the fixed asset additions are paid for with local funds.

ECOA

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

Grande Aid

Grande Aid provides quality home health care for homebound elderly patients. Any person who has a doctor's prescription for home health care services is a candidate for Grande Aid. Grande Aid is licensed by the State of Louisiana and is certified by Medicare and Medicaid.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting - (continued)

• General Fund - (continued)

Public Relations

The Council uses its public relations program to inform and educate the community about the Council's services and programs. Some of the specific services provided under this program are as follows:

- The Council publishes a resource guide, "The Platinum Plan", to provide information about community services related to senior citizens.
- The Council's newspaper, "The Platinum Record", is published and distributed monthly to approximately 18,400 homes in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.
- The Council sponsors events such as Ageless Expos, to give people information about the community resources for the elderly.

Medicaid Waiver

The Medicaid Waiver program provides homemakers and Medicaid services for up to 35 hours per week to qualified participants. The Council is paid a fee by Medicaid to perform these services.

Grande Meals

Grande Meals include congregative meals sold to organizations, guest meals sold at C-1 congregative meal sites, and meals delivered to the homes of persons who are homebound and willing to pay the full cost of the meal.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

Assessments and case Management

The Council performs health assessments and case management services for elderly people for certain corporations and receives a fee for these services.

• Special Revenue Funds

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

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

Title III-B Supportive Services Fund

The Title III-B Supportive Services Fund is used to account for funds which are to provide a variety of services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for the elderly. Title III-B Supportive Services Funds are provided by the United States Department of Health and Human Services through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration (AAA) Fund is used to account for the administration of Special Programs for the Aging. Title III-C administrative funds are provided by the United States Department of Health and Human Services through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. Title III C-1 funds are provided by the United States Department of Health and Human Services through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. During the fiscal year July 1, 1993 to June 30, 1994, the Council served about 108,000 congregate meals.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. Title III C-2 funds are provided by the United States Department of Health and Human Services through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. During the fiscal year July 1, 1993 to June 30, 1994, the Council served about 61,500 home delivered meals.

Title III-D Fund

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

Note 1 - Summary of Significant Accounting Policies - (continued)

e. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. 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. The Council operates 4 senior centers in East Baton Rouge Parish, Louisiana.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about 65 cents for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Audit Fund

The Audit Fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as: (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 Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

Retired Senior Volunteers Program(CSNV) Fund

The Retired Senior Volunteers Program Fund is used to account for federal funds which are provided directly by The Corporation for National and Community Service(CNCS) and state funds which are provided directly by the Governor's Office of Elderly Affairs to pay for expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The purpose of these programs is to help the needy, elderly people of the parish pay their utility bills. Entergy and Demco collect contributions from service customers and employees, then remit the money to the Council to provide the utility assistance.

Note 1 - Summary of Significant Accounting Policies - (continued)

c. Fund Accounting: - (continued)

• Fiduciary Fund

The Council's Fiduciary Fund is comprised of an Agency Fund as follows:

Agency funds are used to account for assets held by the Council as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Fund accounts for investments made by people who have participated in the Council's deferred compensation program.

d. 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 East Baton Rouge Council on Aging are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the government fund types when purchased.

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

Note 1 - Summary of Significant Accounting Policies - (continued)

e. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental and agency funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

f. Transfers and Interfund Loans:

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

g. Budget Policy:

For the fiscal year ended June 30, 1986, the Council used the following procedure to derive the budgetary data which has been presented in Exhibits C and D of 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. GOEA awards funds using the same fiscal year as the Council, except for the ROPF program award which is on a calendar year.
- The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under these grants.

Note 1 - Summary of Significant Accounting Policies - (continued)

g. Budget Policies - (continued)

- Projections are made of revenues from the City of Baton Rouge, program service fees, special events, public support, and miscellaneous sources based on past trends and data available to form expectations of future revenues.
- The Council's financial officer prepares a proposed budget 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 portion of the adopted comprehensive budget relating only to COER funded programs is forwarded to COER for final approval.
- Budgetary appropriations for grants awarded the Council by COER lapse at the end of each fiscal year (June 30) and at December 31 for the grant award from the Corporation for National and Community Service for the RCVF program. Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year end, therefore, have a specified date where the budgetary appropriation will lapse.
- The budget is prepared on a 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 amended budget amounts as approved by the Council's Board of Directors and COER. One amendment was made to the original budget during fiscal year 1996.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

NOTE 1 - Summary of Significant Accounting Policies - (continued)

g. Budget Policy: - (continued)

- The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Policy Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.
- The City of Baton Rouge, Louisiana, does not require the Council to submit a budget to receive the annual allocation of funds the Council receives from it. Hence, this money is totally unrestricted as to its use.
- The council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

h. Total Columns of Combined Statements - Overview:

Total columns on the combined statements - overview are captioned "memorandum only" to indicate that they are presented only to help with financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the preparation of this data.

Note 1 - Summary of Significant Accounting Policies - (continued)

1. Fixed Assets:

All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets. As of June 30, 1996, the Council had recorded \$77,296 of donated fixed assets in its financial statements.

2. Annual and Sick Leave:

Full time employees earn vacation leave beginning with the first full month of employment at the rate of one day per month. Vacation leave increases with each year of employment, according to the following schedule:

<u>Years of Employment</u>	<u>Days Earned</u>
1	12
2	13
3	14
4	15
5	16
6	17
7	18
8	19
9	20
10 and over	21

Beginning June 30, 1996, no more than 3 days of vacation leave may be carried over at the end of a calendar year. Prior to June 30, 1997, any earned and unused vacation leave had no expiration date as to when it had to be used. Payment of any vested vacation leave is made by the Council upon job termination of an employee for any reason.

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. These amounts will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave whereby an employee could be entitled to payment for any unused portion upon termination.

Note 1 - Summary of Significant Accounting Policies - (continued)

k. Related Party Transactions:

There were not any significant related party transactions during fiscal year 1998.

l. Restricted Assets:

Restricted assets represent assets which have been primarily acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council (i.e., utility assistance funds). Restricted assets are offset by a corresponding reservation of the Council's fund balance.

m. Reservation and Designations of Fund Balances:

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

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. There were not any designated fund balances at year end.

n. Inventory:

Inventory is valued at cost using the first-in, first-out method, and consists of food and kitchen supplies which have not been consumed as of year end. Assets reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

o. Prepaid Expenses:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

Note 1 - Summary of Significant Accounting Policies - (continued)

p. Management's Use of Estimates:

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

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

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided. Funds received from the City of Baton Rouge are not subject to revenue recognition restrictions.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Public Support, Special Events, and Miscellaneous Revenues

The timing and amounts of the receipts of public support, special events, and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

At June 30, 2000, the deposits in the Council's checking accounts totaled \$514,794, whereas the cash balance per books, not including \$250 of petty cash and after considering outstanding checks, was \$417,330. The following table is a summary of the Council's bank balances at June 30, 2000, presented in three levels of credit risk.

Note 3 - Cash - (continued)

	Bank Balance
Category 1	\$108,000
Category 2	-
Category 3	414,794
Total	\$522,794

Category 1 includes bank balances which are insured by Federal Depository Insurance or collateralized with securities held by the Council or its agent in the Council's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the Council's name. Category 3 includes bank balances which are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Council's name.

During fiscal year 1986, the Council consolidated all of its bank accounts into three accounts. One account is used only for payroll purposes. The second account is an operating account. Bank balances in excess of \$10,000 in this account are automatically transferred into a third account (short-term investment) at the bank. These excess funds are invested overnight in United States Treasury notes and/or bonds. Money from the short-term investment account is automatically transferred back to the operating account when checks are presented for payment. The short-term investment account is included in cash for financial statement presentation purposes because it is designed to be highly liquid to give the council immediate access to its account balance.

Note 4 - Investments

State statutes authorize the Council to invest temporarily idle monies in the following:

1. United States Treasury Bonds.
2. United States Treasury Notes.
3. United States Treasury Bills.
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.

Note 4 - INVESTMENTS - (continued)

5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the security act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

The council did not have any funds which it considered as an investment for financial statement presentation purposes at year end.

Note 5 - Grants Receivable and Accounts Receivable

grants receivable at June 30, 1994, consisted of reimbursements for expenses incurred or revenues earned under the following programs:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
U.S.-D.A.	GOER	Special Revenue	\$ 20,532
Audit	GOER	Special Revenue	8,528
Total			\$ 29,060

Accounts receivable at June 30, 1994 for General Fund program consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Amount</u>
Grants Aid	Medicare	\$64,120
Grants Aid	Medicaid	3,000
Medicare Major	Medicaid	8,783
Grants Meals	N/A	6,333
Assessment/Case Management	N/A	1,753
Local	N/A	1,830
Public Relations	N/A	3,880
Total		\$80,796

Note 6 - Prepaid Expenses

The Council has not elected to expense amounts paid for future services until those services are consumed. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditures.

Prepaid expenses consisted of the following at June 30, 1994:

Prepaid insurance	\$ 3,803
Prepaid legal service	883
Advance payments on capital lease obligations	<u>2,000</u>
	<u>\$12,749</u>

Note 7 - Changes in Fixed Assets

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

	Balance 01-01-93	Acquisitions	Adjustments and Deletions	Balance 06-30-93
Capital lease equipment	\$ 77,388	88,148	-	\$165,536
Vehicles	82,947	"	-	82,947
Office furniture & equipment	188,838	34,848	-	223,686
Computer software	37,855	5,285	-	43,140
Restrictive equipment	85,271	-	-	85,271
Leasehold improvements	36,878	-	-	36,878
Land	<u>88,800</u>	<u>-</u>	<u>-</u>	<u>88,800</u>
Totals	<u>\$128,594</u>	<u>\$135,811</u>	<u>0</u>	<u>\$429,596</u>

note 8 - Advances from Funding Agencies

This account represents funds, received in excess of allowable expenditures, that may need to be returned to the funding agency if the funds are not spent per the grant award and/or by a specified time. The advances are as follows:

<u>Fund</u>	<u>Grant Year Ended</u>	<u>Grantor Agency</u>	<u>Amount</u>
MSVP	11-31-86	GOOA	\$ 3,489
MSVP	12-31-86	CRCS	2,983
Total advances from funding agencies			\$11,462

Note 9 - Notes Payable

On March 30, 1984 the Council obtained a bank loan to purchase three Dodge cargo vans. The terms of the loan are as follows:

<u>Amount Borrowed</u>	<u>Due Date</u>	<u>Monthly Payment</u>	<u>Interest Rate</u>	<u>Wageid at 05:10:26</u>
\$15,947.18	09/11/97	\$1,328.40	7%	\$17,574

Future principal payments under this note are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
1987	\$15,816
1988	2,558
	\$17,574

note 10 - Capital Lease Obligations

During the year ended June 30, 1986, the Council had the following capital leases:

- A lease-purchase agreement of a phone system consisting of the following terms:

<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Lease Term</u>	<u>Imputed Interest Rate</u>
\$717.42	60	01-17-84 to 03-17-89	18.75%

Note 18 - Capital Lease Obligations - (continued)

- A lease-purchase agreement of voice mail equipment consisting of the following terms:

Monthly Payment	Number of months	Lease Term	Imputed Interest Rate
\$487.50	60	03-11-84 to 03-11-89	11.50%

At the end of the lease period, the equipment can be purchased for \$1.00.

- A lease-purchase agreement of additional voice mail equipment consisting of the following terms:

Monthly Payment	Number of months	Lease Term	Imputed Interest Rate
\$216.88	60	02-21-84 to 02-21-89	13.70%

At the end of the lease period, the equipment can be purchased for \$1.00.

- A lease purchase agreement of equipment and furniture to set up a photo print shop consisting of the following terms:

Monthly Payment	Number of months	Lease Term	Imputed Interest Rate
\$1,800.00	18	01-06-85 to 06-06-86	12%

- A lease-purchase agreement of equipment for the Council's Accountability Plus system consisting of the following terms:

Monthly Payment	Number of months	Lease Term	Imputed Interest Rate
\$1,462.50	48	10-31-88 to 10-31-89	12.5840%

At the end of the lease period, the equipment can be purchased for \$1.00.

Note 10 - Capital Lease Obligations - (continued)

- A lease-purchase agreement of a copy machine consisting of the following terms:

Monthly Payment	Number of months	Lease Term	Imputed Interest Rate
\$475.74	60	06-01-98 to 06-01-01	14.462%

Future minimum lease payments, by year and in the aggregate, are as follows:

Year Ended June 30,	Amount
1997	\$ 38,019
1998	38,019
1999	38,303
2000	33,233
2001	<u>2,598</u>

Total minimum lease payments remaining \$104,174
Less: Imputed interest 1,33,382

Present value of net minimum lease payments at June 30, 1998 \$112,782

Note 11 - General Long-Term Debt

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt accounts group.

	Balance 07/01/98	Increase	Decrease	Balance 06/30/99
Wanted Vacation Loans	\$ 48,346	\$ -	\$ (4,843)	\$ 43,503
Capital Lease Obligations	55,862	60,148	(18,348)	117,662
Notes Payable	<u>39,820</u>	-	<u>(12,381)</u>	<u>27,439</u>
	<u>\$144,028</u>	<u>\$ 60,148</u>	<u>\$(35,172)</u>	<u>\$168,904</u>

Note 12 - Operating Leases

On September 1, 1992, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 3798 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for ten years. The Council is responsible for utilities, normal repairs and maintenance, and liability, fire and casualty insurance.

At June 30, 1996 the Council also had a long-term lease for a photocopy machine as follows:

<u>Term</u>	<u>Monthly Payment</u>
12-31-92 to 11-30-97	\$281.67

Future minimum lease payments are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
1997	\$ 3,300
1998	<u>1,408</u>
	<u>\$ 4,708</u>

Total rent expense was \$15,349 for the year ended June 30, 1996.

Note 13 - Interfund Loans

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

Note 13 - Interfund Loans - (continued)

	Due From Other Funds	Due To Other Funds
General Fund	\$ 8,901	\$ -
Special Revenue Funds:		
Title III B	-	88
Title III C-1	-	108
Title III C-2	-	7
Title III D	-	4
Audit	-	8,328
Total special revenue funds	-	8,531
Total all funds	\$ 8,901	\$ 8,901

Note 14 - Interfund Transfers

Operating transfer in and out are listed by fund for fiscal year 1996 as follows:

	Operating Transfers In	Operating Transfers Out
General Fund	\$ -	\$125,145
Special Revenue Funds:		
Title III B	29,174	-
Title III C-1	9,102	-
Title III C-2	58,648	-
Title III D	693	-
Title III F	138,827	-
U.S.D.A.	-	63,147
Audit	19,897	-
Senior Center	-	84,254
SNF	24,288	-
Total special revenue funds	279,928	147,401
Total all funds	\$279,928	\$272,546

Note 25 - Changes in Agency Fund

A summary of changes in assets and liabilities of the Agency Fund is as follows:

	Balance 07-01-55	ADDITIONS	DEDUCTIONS	Balance 06-30-56
Assets:				
Referred compensation				
Benefit Investment	\$ 50,435	\$ 71,385	\$ 19,048	\$ 71,385
Total assets	\$ 50,435	\$ 71,385	\$ 19,048	\$ 71,385
Liabilities:				
Referred compensation due employees	\$ 50,435	\$ 21,581	\$ 19,048	\$ 71,385
Total liabilities	\$ 50,435	\$ 21,581	\$ 19,048	\$ 71,385

Note 26 - 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 in accordance with the State of Louisiana's travel reimbursement policy when attending meetings on behalf of the Council.

Note 27 - In-Kind Contributions

The Council received various in-kind contributions during the year. Examples of the types of in-kind contributions are as follows:

- * The Council's main office facility was furnished by the City of Baton Rouge to the Council for \$1.00 per year.
- * Janitorial services and maintenance workers were also provided by the City of Baton Rouge.
- * Senior center/meal site facilities and health screening sites are furnished to the Council without charge for rent and utilities.

Note 17 - In-Kind Contributions - (continued)

- Time was donated by volunteer workers to help with home delivered meals, to assist at senior centers and meal sites and to serve as Senior Tech instructors. A registered nurse conducted health screenings and community service workers and social work students also performed work for the Council at no charge.

These contributions, the value of which was not objectively and contemporaneously determined at the time of the donation, have not been reported as revenues and as offsetting expenses in these financial statements.

Note 18 - Income Tax Status

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

Note 19 - Judgments, Claims, and Similar Contingencies

On September 9, 1988, the Council was sued by a former employee who alleged employment discrimination by the Council. Discovery responses were made in January, 1989, but no action has been taken since that time. In a separate matter, on March 2, 1989, the Council was sued by another former employee who claims that the Council defamed her and wrongfully discharged her from her job. This employee seeks to recover lost wages and other benefits as a result of her claim. Management and the attorney for the Council believe there is no merit to either of the above claims and that the Council will prevail in its defense of these lawsuits without liability.

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. These programs are audited in accordance with the Single Audit Act of 1984. Any settlements or expenses arising out of a final review are recognized in the period 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.

Note 20 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. Grant amounts are appropriated each year by the federal, state, and local governments. If budget cuts are made at the federal, state and/or local level, the amount of funds the council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the council will receive in the next fiscal year.

Note 21 - Deferred Compensation

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Council subject only to the claims of the council's general creditors. Participants' rights under the plan are equal to those of the general creditors of the council in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of management that the Council has no liability for losses under the plan. It is the intent of management that the deferred amounts will ultimately be paid to the employees. Management also believes that the assets will not be used to satisfy the claims of general creditors.

As of June 30, 1988, assets totaling \$71,988 are held by Public Employees Benefit Services Corporation, a deferred compensation center, under an agreement with the Council.

Note 22 - IRC Section 125 Cafeteria Plan

In January, 1992, the Council established an Internal Revenue Code Section 125 "cafeteria" plan for its full-time employees. Under this plan an eligible employee can elect to have a portion of his/her compensation reduced to pay for personal health insurance, dental insurance, and/or disability insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 23 - Risk Management

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

Note 24 - Prior Period Adjustment

Subsequent to the issuance of the audited general purpose financial statements for the year ended June 30, 1995, it was determined that a \$15,851 deposit for workman's compensation insurance made on August 5, 1993 had been expensed in error when paid. In order to correct this error, the beginning fund balance of the General Fund has been restated by increasing it by \$15,851 and a \$15,851 deposit has been recorded as an asset for the years ended June 30, 1995 and 1996. This adjustment had no effect on current year's revenue and expenditures.

SUPPLEMENTARY FINANCIAL INFORMATION

DAVE WATSON ASBESTOS CONTROL, INC.
 SCHEDULE OF FUNDING AGREEMENTS, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND
 for the year ended June 30, 1998

Programs of the funding type

	Local	FY88	Special and	Public	State/Local	Grants	Intergovt	Grants	Intergovt	Accounted
										for other
										Programs
EXPENDITURES										
Depreciation										
Salaries	11,000	-	205,100	85,144	104,100	1,276	-	1,276	-	4,463
Printing	3,000	-	28,400	22,200	27,100	1,206	-	1,206	-	1,400
Travel	5,000	-	1,400	443	113	11	-	11	-	1,100
Operating supplies	10,000	-	11,000	205,100	30,000	1,070	-	1,070	-	207,000
Operating supplies	11,000	-	12,000	2,000	1,000	1,000	-	1,000	-	10,000
Other costs	10,000	-	20,000	4,000	400	20	-	20	-	41,000
Fuel services	-	-	-	-	-	-	-	-	-	-
Repairs	-	-	-	-	-	11,000	-	11,000	-	-
Contract and fee	111,000	-	600	100	-	-	-	-	-	1,000
Legal services	41,200	-	-	-	-	-	-	-	-	-
Personnel retirement	14,000	-	-	-	-	-	-	-	-	-
SECURITY										
TOTAL EXPENDITURES	264,000	-	444,500	314,188	426,100	20,382	-	20,382	-	11,900
Excess of revenues over										
(under) expenditures	41,000	50,000	17,500	(209,400)	107,100	31,200	-	31,200	(1,000)	201,000
OTHER FINANCING SOURCES (USES)										
Operating transfers in										
Operating transfers out	(50,000)	-	-	-	-	-	-	-	-	(40,000)
Operating transfers net	50,000	-	-	-	-	-	-	-	-	40,000
FINANCIAL STATEMENTS (Other) (State AG)										
Excess of revenues over										
other sources over (under)	50,000	-	17,500	(209,400)	107,100	31,200	-	31,200	(1,000)	241,000
transfers and other items										
NET CHANGE (DEFICIT)										
Beginning of year	479,000	-	(100,000)	(244,200)	(107,100)	31,200	-	31,200	-	1,000
End of year	1,000,000	50,000	(100,000)	(209,400)	(100,000)	62,400	-	62,400	(1,000)	2,441,000

Estimated Statement of Assets, Liabilities, and Net Worth - OFFICE OF THE COMPTROLLER OF THE CURRENCY

Category	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780
----------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

EAST BAYOU HOUSE COUNCIL ON AGING, INC.
BAYOU HOUSE, LOUISIANA

SCHEDULE OF EXPENDITURES - BUDGET VS ACTUAL - GRANTS PROVIDED
THROUGH THE LOUISIANA GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GSEA)

For the year ended June 30, 1984

	Budget	Actual	Variance- Favorable (Unfavorable)
FOUR - ART 306			
Transfers out to III B	\$ -	7,500	7,500
Transfers out to III C-3	50,000	-	50,000
Transfers out to III D	-	812	812
Transfers out to III F	-	60,848	60,848
Total FOUR	50,000	78,960	-
TITLE III B SUPPORTIVE SERVICES			
Salaries	220,282	220,719	217,517
Fringe	40,820	38,828	2,992
Travel (*)	6,820	7,946	(1,126)
Operating services	20,897	22,543	(1,646)
Operating supplies	7,328	7,898	(570)
Other costs (*)	295	322	(27)
Full service	20,000	18,893	1,107
Meals	-	-	-
Capital outlay	-	-	-
Subtotal Title III B Supportive Services	286,422	287,876	2,112
TITLE III C - BAA			
Salaries	251,072	251,071	\$ -
Fringe	5,129	5,129	-
Travel	508	508	-
Operating services	23,172	23,172	-
Operating supplies	2,089	2,089	-
Other costs	228	228	-
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
Total Title III C - BAA	281,298	281,298	\$ -

(*) Actual costs exceed budgeted costs by more than 20%. However, transfers were made from the General Fund to pay for the excess expenditures.

	Budget	Actual	Percentage Excess/Deficiency
TITLE III D-1			
Salaries	\$198,075	198,133	\$ 18,345
Fringe	48,889	57,618	17,731
Travel	1,883	553	680
Operating services	54,883	33,813	39,472
Operating supplies	30,817	18,343	76
Other costs	28,288	4,083	13,899
Full Service	-	-	-
Meals	-	-	-
Rent Fund	139,304	132,958	6,346
Non-recurring	66,368	18,441	17,827
Capital outlay	-	-	-
Total Title III D-1	\$512,874	\$469,138	\$394,763
	*****	*****	*****
TITLE III C-2			
Salaries	\$150,083	113,780	\$ 37,303
Fringe	33,088	37,171	18,334
Travel	13,652	14,754	15,385
Operating services	38,680	19,270	22,750
Operating supplies	7,383	4,564	889
Other costs	11,828	3,977	8,247
Full Service	-	-	-
Meals	-	-	-
Rent Fund	90,320	78,133	32,187
Non-recurring	30,340	14,718	28,622
Capital outlay	-	-	-
Total Title III C-2	\$374,807	\$264,887	\$ 110,920
	*****	*****	*****
TITLE III B			
Salaries	\$ 4,083	4,887	\$ 1,208
Fringe	743	873	229
Travel (*)	384	213	31
Operating services	183	476	108
Operating supplies	55	83	-
Other costs	4	7	(1)
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
Total Title III B	\$ 5,849	\$ 6,713	\$ 1,330
	*****	*****	*****

(*) Actual costs exceed budgeted costs by more than 25%. However, transfers were made from the General Fund to pay for the excess expenditures.

Schedule 3
Cost Sheet

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
TITLE 121-B			
Salaries	\$ 80,000	\$ 89,303	\$ 9,303
Fringe	11,532	12,884	(1,352)
Travel	457	438	19
Operating services	13,300	12,800	500
Operating supplies	11,804	11,713	91
Other costs	1,208	2,320	(1,112)
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
Total Title 121-B	\$148,101	\$149,654	\$ 1,553
Sub-Grants			
Transfers to Title 121 C-1	\$ 31,873	\$ 3,182	\$ 28,691
Transfers to Title 121 C-2	<u>51,802</u>	<u>58,841</u>	<u>(7,039)</u>
Total Sub-Grants	\$ 83,675	\$ 62,023	\$ 21,652
Other Funds			
Operating services	\$ -	\$ 28,185	\$ (28,185)
Other costs	<u>8,320</u>	<u>-</u>	<u>8,320</u>
Total Other Funds (*)	\$ 8,320	\$ 28,185	\$ (19,865)
Service Centers			
Salaries	\$ 54,007	\$ 61,818	\$ 7,811
Fringe	14,315	14,503	(188)
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	-	-
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
Transfers to Title 121-B	<u>68,318</u>	<u>85,254</u>	<u>(16,936)</u>
Total Service Centers	\$122,640	\$142,675	\$ 20,035

(*) Actual costs exceed budgeted costs by more than 10%. However, transfers were made from the General Fund to pay for the excess expenditures.

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

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the year ended June 30, 1996

	Balance June 30, 1994	Millions	Dollars	Balance June 30, 1996
General fixed assets:				
Vehicles	\$ 63,547	\$ -	\$ -	\$ 63,547
Office furniture and equipment	148,069	24,848	-	184,467
Computer software	12,288	5,295	-	18,343
Facilities equipment	69,273	-	-	69,273
Leasedhold improvements	76,978	-	-	76,978
Capital leases	77,264	66,148	-	143,412
Land	37,202	-	-	37,202
Total general fixed assets	524,521	116,291	\$ -	629,199
Investment in general fixed assets:				
Property acquired with funds from -				
General funds and local donations	\$124,856	\$124,811	\$ -	\$124,856
Title III-B Administration	1,150	-	-	1,150
Title III-B Supportive Services	292	-	-	292
MSRP	1,290	-	-	1,290
Director Assistance	4,750	-	-	4,750
PWA	5,200	-	-	5,200
Title III C-2	333	-	-	333
Title III C-3	343	-	-	343
Title III F	2,379	-	-	2,379
Funding information not maintained to identify fixed assets acquired before 1-1-92	117,383	-	-	117,383
Re-sold from the general public	17,252	-	-	17,252
Total investments in general fixed assets	\$124,884	\$124,811	\$ -	249,189

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

East, Walter Repp, Council on Aging, Inc.
Action Group, Inc./Action

For the year ended June 30, 1996

FEDERAL AGENCY/PROGRAM—FUNDING CATEGORY/ PROGRAM TITLE	FEDERAL TITLE NUMBER	START DATE	END DATE	PROGRAM NO. AGENCY ACCOUNT	AMOUNT ACCOUNTED	EXPANDED
The Corporation for National and Community Service						
Direct Programs:						
National Senior Volunteer Program(NSVP)	94-002	10/00/91-02	10/31/94	2	47,480	2
National Senior Volunteer Program(NSVP)	94-002	10/00/91-02	10/31/94	10,000	23,880	21,000
Subtotal OIG# 491,000					60,360	42,000
Totals for The Corporation for National and Community Service					60,360	42,000
U.S. Department of Health and Human Services						
Passed through the Governor's Office of Elderly Affairs:						
Title III - Special Programs for the Aging						
Title III 0-Older Americans Resource and Health Promotion	93-041	8/75	06/30/96	10,001	20,001	10,001
Title III 0-Supportive Services	93-044	8/75	06/30/96	170,000	170,000	170,000
Title III 0-Long Term Care Administration	93-041	8/75	06/30/96	60,100	60,100	60,100
Title III 0-1-Comprehensive Health	93-040	8/75	06/30/96	170,100	170,100	170,100
Title III 0-0-Home Delivered Meals	93-041	8/75	06/30/96	10,000	10,000	10,000
Subtotal OIG# 491,000					500,300	500,300
Title III 0-0-Home Services	93-040	8/75	06/30/96	5,000	5,000	5,000
Totals for U.S. Department of Health and Human Services					505,300	505,300

(Schedule E Continued on Next Page)

SCHEDULE B - FEDERAL FINANCIAL ASSISTANCE

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the year ended June 30, 1994

FEDERAL GRANTS/PAID-THROUGH QUANTITATIVE PROGRAM TITLE	FEDERAL FISCAL NUMBER	GRANT NUMBER	FISCAL PERIOD	FEDERAL AMOUNT	REVENUE RECEIVED	TOTAL EXPENSES
U. S. Department of Agriculture						
Passed through the Governor's Office of Elderly Affairs:						
Meatless Program for the Elderly	03 06,620	6/8	06-06-94	100,000	100,000	41,000
Meatless Program for the Elderly	03 06,620	6/8	06-06-94	100,000	-0-	10,000
Subtotal: 0306 620,000				200,000	100,000	51,000
Total Federal Grants				200,000	100,000	51,000

The above programs are all completed. East Baton Rouge Council on Aging, Inc. had no major programs during fiscal year 1994.

Notes to Schedule of Federal Assistance for the Year Ended June 30, 1994:

Note 1 - Basis of Accounting - The accompanying Schedule of Federal Financial Assistance has been prepared using the modified accrual basis of accounting as contemplated under generally accepted accounting principles and which is the same basis of accounting used for presenting the general purpose financial statements.

Note 2 - Revenue was earned and recognized based on units provided however, some funds that were earned were not spent as of June 30, 1994(\$10,000) and are available for use in fiscal year 1995.

Note 3 - Capital expenditures were from funds earned but not spent as of June 30, 1994.

SCHEDULE OF COST ACTIVITY

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the Grant Year Ended December 31, 1988

Costs Incurred For SRRF Were As Follows:

	Actual	Actual 3	Budget	Budget 3
Volunteer Support	148,882	87,888	\$53,100	77,888
Volunteer Expenses	22,218	30,124	15,000	22,888
TOTAL costs incurred	171,100		\$68,100	100,776
Costs paid with local match	13,718			
Costs remaining to be paid with The Corporation for Business and Community Service and OSEA Funds	157,382			
Costs paid for with OSEA (State) Funds received	128,000			
Costs paid with funds from The Corporation for National and Community Service	29,382			
	157,382			

QUESTIONED COSTS

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the year ended June 30, 1996

There were not any findings noted during the audit that resulted in questioned costs. Exceptions initially noted that could have produced questioned costs were satisfactorily resolved by management accepting recommended audit adjustments. Questioned costs that would have resulted from actual costs exceeding allowable budget limits in programs funded through OGEA were avoided because of transfers from the General Fund. (See Schedule 3)

SCHEDULE OF REPORTABLE CONDITIONS, EXISTENCES OF NONCOMPLIANCE,
AND RECOMMENDATIONS

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the year ended June 30, 1994

REPORTABLE CONDITIONS

There Are Situations Where The Design Of The Internal Control Structure Is Inadequate.

- Findings:
1. P.O./DVs are entered into the payables system and computer checks are processed for most disbursements. The checks are "signed" using a double-signature rubber stamp. The rubber stamp is under the control of the financial officer. The use of the rubber stamp eliminates the benefits of the double-signature requirement. Since the financial officer can approve P.O./DVs, make journal entries to the accounting system, prepare the bank statement reconciliation, and has control of the signature stamp, there is a lack of segregation of duties.
 2. The Council lacks an adequate system to monitor accounts receivable.
 - a. The business director for Grande Aid bills for that program services. The customers' remittances are received by the accounting department. The accounting department deposits the checks it receives and routes the remittance advices to Grande Aid's business director. The accounting department does not record receivables when services are rendered because it does not receive the billing information from Grande Aid's business director. Further, no one in the accounting department has been assigned the responsibility to double-check recorded revenue against Grande Aid's billing information.

REPORTABLE CONDITIONS - (continued)

- b. The director of public relations does not give the accounting department information when advertising in the Platinum Record or Platinum Plus is sold. Accordingly, the accounting department records advertising revenue from deposit slips rather than from billing information. There are no controls to ensure that (1) all advertising which has been sold has been billed and recorded and (2) that all billings have been collected.
- c. Invoices for Grande Meats are prepared by the accounting department but are not recorded as an accounts receivable when the meats are billed.

Auditor's

Recommendations:

1. Checks should not be released until the check and the underlying documentation is reviewed by two responsible people, at least one of whom is independent of the accounting function. The best method is to eliminate the rubber stamp and require two manual signatures. An alternative is to have the rubber stamp under the control of the compliance officer and to have both the accounting officer and the compliance officer review and initial the supporting documentation. The chief executive officer should review and initial the supporting documentation if checks need to be issued when the compliance officer or the finance officer is unavailable.
2. The Council's accounting software includes an Accounts Receivable module that is not being used. I recommend the Council begin using this module to properly record and monitor its receivables. In addition, I recommend people be assigned specific responsibilities in the process of billing, recording, collecting, and reconciling the transactions relating to the services mentioned above to eliminate control weaknesses.

REGRETTABLE CONDITIONS - (continued)

Management's Response

and Action Plan:

1. Checks will not be released until the check and underlying documentation are reviewed by two responsible people, one of whom will be independent of the accounting function. The rubber stamp is under the control of the compliance officer who will also review and initial supporting documentation. The rubber stamp will be locked in the safe at the end of each day. The chief executive officer will review supporting documentation if checks need to be issued when the compliance officer or finance officer is unavailable.
2. Currently, a billing coordinator has been assigned specific responsibilities in the process of billing, collecting and reconciling the transactions relating to accounts receivable. Procedures are in place.

There Is Evidence Of Failure To Perform Tasks That Are A Part Of The Internal Control Structure-

Findings:

1. The payroll account had not been successfully reconciled since June 30, 1994. The person who was responsible for preparing the reconciliations had tried to reconcile this account but had been unable to. The account had been allowed to remain unreconciled until it was reconciled as part of the fiscal year 1995 audit. No further reconciliations of this account were performed. It was closed in fiscal year 1996. During the audit I discovered that two grant payments for NCTP had been wired into the payroll account and not recorded and that five manual checks for workmen's compensation had been written on this account but not recorded. The indirect cost allocation had to be reworked after the workmen's compensation payments were recorded.
2. In my detailed test of payroll, there were two instances where the supervisor's signature was not on the subordinate employee's time sheet.
3. In my test of personnel files, I found instances where I-9 forms were not properly filled out, which is required by Federal law.

REPORTABLE CONDITIONS - (continued)

4. The current system of fixed asset management is to tag fixed assets when received, although this is not done on a consistent basis. A physical inventory of fixed assets was performed but the results were not reconciled to the books. A final list of fixed assets has not been submitted to GEMA. The fixed asset subledger was not updated nor reconciled prior to the audit.
5. (A) Project Care reports contain errors.
(B) Reports to GEMA contain errors.
(C) Reports to The Corporation for National and Community Service contained errors.

Auditor's

Recommendations:

These examples of failure to perform tasks that are part of the internal control structure can be cured by proper supervision and follow-up.

1. There is no recommendation for finding #1 because this account has been closed and all other bank accounts were properly reconciled.
2. The payroll accountant should not enter time information from time sheets unless the supervisor has approved them. If this is unavoidable because of the demands of getting out the payroll, the employee's check should not be released until the time sheet has been approved.
3. The payroll accountant should review all personnel files to insure they comply with Federal law and Council policy. The accounting supervisor should verify that payroll files are properly maintained through "spot checks".
4. The person entering accounts payable into the computer should be responsible for tagging fixed assets before the FO/IV is entered into the computer. The financial officer should verify that new fixed assets are tagged as part of the review of the monthly financial statements. The fixed asset subledger should be updated monthly and reconciled to the general ledger. A physical inventory should

REPORTABLE CONDITIONS - (continued)

be taken on or about June 30 each year. GORA should be sent a copy of the fixed asset subledger.

3. All reports to grantor and funding agencies should be reviewed by someone other than the preparer. The Project Care and RFPV reports should be amended because the errors affect future periods.

Management's Responses
and Action Plans:

1. All accounts are currently being reconciled monthly.
2. The payroll clerk will not enter time sheets without the approval of the employee's supervisor on the time sheet. Employees' checks will not be released until the time sheet has been officially approved. Supervisors have been instructed on this procedure.
3. The payroll clerk has already reviewed all personnel files and updated information to assure that I-8 forms and other personnel file records are completed as required by Federal law. The payroll clerk is responsible for assuring that all personnel files, including I-9s, are properly completed on all new employees.
4. An accounting clerk has been assigned responsibility for tagging fixed assets before the P/O/IVs are entered into the computer. The fixed asset ledger will be updated and reconciled to the general ledger. The finance officer will verify that fixed assets are tagged as part of the review of monthly financial statements. A physical inventory will be sent to GORA as mandated by its policy.
5. Reports to grantor and funding agencies are being reviewed by the compliance officer in concert with the finance officer who prepares the reports. They are further reviewed and signed by the chief executive officer prior to submission. When necessary, reports will be amended when errors are detected that affect future periods.

INCIDENCES OF NONCOMPLIANCE

Instances Of Noncompliance Were Noted Relating To The RSWF Program

findings:	<ol style="list-style-type: none">1. The Council should have submitted to OGEA a final report of RSWF expenditures within 45 days of the close of the grant year. No report was submitted.2. Several reports were submitted late to The Corporation for National and Community Service.3. Amounts reported to The Corporation for National and Community Service were not correct for the December 31, 1985 and the June 30, 1986 reports.
Criteria:	The grant awards with OGEA and The Corporation for National and Community Service specify several requirements the Council should follow.
Cause:	The grant awards from OGEA and The Corporation for National and Community Service were not properly monitored.
Effect:	These findings do not produce any effects on the financial statements.
Program affected:	RSWF: CPDAS 72,800
Auditor's Recommendation:	I recommend that the financial and compliance officers be responsible for reading the detailed terms of the grant awards from The Corporation for National and Community Service and OGEA to determine what is required of the Council under these contracts. It is important that these terms be monitored throughout the grant period. Cost reports should be submitted timely and double-checked by someone other than the preparer.
Management's Response and Action Plans:	The financial officer is responsible for timely submission of reports to funding sources and these reports will be checked by the compliance officer prior to submission to the chief executive officer for signing.

Other Instances of Noncompliance

Other instances of noncompliance are described in the reportable conditions section of this report as findings 1, 4, and 5 under the heading There is Evidence of Failure to Perform Tasks That Are a Part of the Internal Control Structure. (See page 43 and 44)

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the Year Ended June 30, 1996

In last year's audit, I reported findings, some of which had also been reported in earlier years. The following discussion will briefly present each finding with a comment as to what action has been taken, if any, to correct it.

REPORTABLE CONDITIONS

There Are Situations Where The Design Of The Internal Control Structure Is Inadequate.

Finding #1: As part of the 1993 audit, I recommended that a new position of financial/compliance officer be created. This new position was created in September, 1994 and a person was hired. At the time I felt the job responsibilities relating to this position could be handled by one person. However, the Council's operations have expanded and it appears the responsibilities assumed by this person are too much for one person to handle. There needs to be an accounting supervisor and a compliance officer to better separate duties and responsibilities.

Corrective Action: Separate positions of Financial Officer and Compliance Officer were created in May, 1996.

Finding #2 Financial statements were not being prepared monthly for management review. Budgets were not being used consistently as a cost control device throughout most of the audit period.

Corrective Action: Financial statements are being prepared on a monthly basis. The Compliance Officer, who was hired in May, 1996, will perform the management review of the statements. The Financial Officer uses the budget to monitor unusual or large purchases within a department as part of the process of approving purchase orders.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued)

Finding #1: PO/DVs are entered into the payable system and computer checks are processed for most disbursements. The checks are "signed" using a double-signature rubber stamp. The compliance officer verbally stamps the checks, but I have also observed other accounting personnel performing this function. The compliance officer says that she delegates this function from time to time. However, the use of the rubber stamp makes it impossible to know who has actually approved a check and eliminates any benefits of the double-signature requirement.

Corrective Action: The Council continues to use the double-signature rubber stamp. It is under the control of the Financial Officer and is locked in the safe at the end of the day. Further improvements need to be made in this area.

There is An Absence Of Appropriate Reviews And Approvals Of Transactions, Accounting Entries, Or Systems Output

Finding #1: Reconciling general ledger accounts to the supporting information is not done on a consistent basis. One example is that the accounts payable balance per the general ledger as of June 30, 1988, before audit ARMA, showed a debit(negative) balance. There had been no attempt to resolve this obvious error prior to the audit. A second example is that the Revenue/Expense Report for the General Fund programs as of June 30, 1988, before audit adjustments, showed two insurance assessment programs as having revenue but no expenses.

Corrective Action: The Financial Officer now reviews and reconciles the general ledger accounts each month before financial statements are processed.

Finding #2: The current internal control system relies heavily on the PO/DVs to document purchase decisions and approvals. In my test of 88 disbursements, 23 had PO/DVs with approval signatures missing.

Corrective Action: PO/DVs are not supposed to be entered into the Accounts Payable system without an approval signature. All disbursements tested in the fiscal year 1990 audit were properly approved.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued)

There is An Absence Of Other Control Techniques Considered Appropriate For The Type And Level Of Transaction Activity

Finding #1: Proper controls were not kept over Medicaid Waiver Reimbursement billings. The Council did not have a procedure to verify that all services provided were billed and that the accounts billed were received.

Corrective Action: The Medicaid Waiver supervisor is responsible for billing. She has done a better job, but the accounting department is not monitoring accounts receivable. Further improvements are needed in this area.

Finding #2: Proper controls were also not in place to ensure that payroll costs were properly allocated. I found instances where costs were allocated to programs even though the work was not for those programs. I made several audit journal entries to correct the significant errors made for payroll allocations. Instances noted include misallocation of site managers' wages to the C-2 program when no C-2 meals were delivered from that site, and misallocation of certain employees' wages between the Private Sitter Program, the Medicaid Waiver Program, and the III-B Supportive Services (Homebased) program.

Corrective Action: The financial officer reviews the payroll allocations. No problems were noted in this area in the current audit.

There is Evidence That Certain Employees Lacked The Qualifications And Training To Perform Their Assigned Functions

Finding #1: A former employee in the accounting department was assigned the duty of preparing bank reconciliations and was unable to reconcile the payroll account for 18 months.

Corrective Action: This employee was terminated. However, the payroll account remained unreconciled until it was closed.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued).

Finding #2: In a second example, the compliance officer was unaware that interest expense could not be coded to "Indirect Costs" and allocated to Federal programs.

Corrective Action: The Financial officer and the Compliance Officer are now aware of this rule. No interest was coded to "Indirect Costs" in fiscal year 1996.

Finding #3: In a third example, some of the fixed asset additions acquired under lease-purchase agreements had not been properly recorded.

Corrective Action: The Finance Officer is now aware of the requirement to treat lease-purchases as capital outlays. Lease purchases in fiscal year 1996 were properly recorded.

There is Evidence That The Accounting System Failed To Provide Complete And Accurate Output That Is Consistent With Objectives And Current Needs Because Of Design Flaws

Finding #1: The Council's general ledger for June 30, 1993 and 1994 required significant audit adjustments. Many of these errors would have been found by the accounting department if the general ledger balances had been reconciled to supporting information and if the financial statements and the general ledger detail transactions had been reviewed for reasonableness on a monthly basis.

Corrective Action: The Financial officer is now reviewing the general ledger detail transactions and the financial statements on a monthly basis. The books required significantly fewer adjustments than in the prior year.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued)

There is Evidence of Failure To Perform Tasks That are A Part Of The Internal Control Structure, Such As, Reconciliations Not Prepared Or Not Prepared Timely

Finding #1: The payroll account had not been successfully reconciled since June 30, 1994. The person who was responsible for preparing the reconciliations had tried to reconcile this account but had been unable to. The account had been allowed to remain unreconciled until it was reconciled as part of the audit.

Corrective Action: This account was not reconciled during fiscal year 1996. Several significant transactions occurred that were not recorded until discovered in the audit. This account was closed prior to year end. The new payroll account and all other bank accounts were properly reconciled at year end.

Finding #2: In my test of payroll, several cases were noted where the time sheets did not have a supervisor's signature or where a leave slip was missing or not properly approved.

Corrective Action: The policy is that all time sheets must have a supervisor's signature in order to be processed. However, in my test of payroll, there were two cases where the supervisor's signature was not on the timesheet. Further improvement is needed in this area.

Finding #3: For the two people who are paid commissions on advertising, reconciliations between ads sold and ad revenue collected were not prepared on a consistent basis. Commissions were paid when the ads were sold, and deductions for payments not received in 30 days were supposed to be, but were not made from future commission payments. Commissions were probably overpaid because these reconciliations were not prepared.

Corrective Action: commissions are no longer paid on advertising.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

REPORTABLE CONDITIONS - (continued)

- Finding #1: The current system of fixed asset management is to tag fixed assets when received, although this is not done on a consistent basis. A physical inventory of fixed assets was performed but the results were not reconciled to the books. A final list of fixed assets has not been submitted to GAMA. The fixed asset subledger was not updated nor reconciled.
- Corrective Action: These same problems occurred for fiscal year 1994.
- Finding #8: Files containing competitive bid documentation for purchases of fixed assets made with General Fund money were not available when requested by me. Management stated that all capital outlays were subjected to competitive bidding.
- Corrective Action: Management's policy is unclear as to whether or not competitive bids are required on purchases made with General Fund money. Most, but not all, fixed asset purchases had evidence of bids. Further improvement is needed in this area.
- Finding #9: Cash receipts for the "Emergency Fund" account for March - May, 1994 were not entered into the general ledger until June, 1994.
- Corrective Action: All GMA receipts are now entered on a daily basis. The "Emergency Fund" account has been closed.
- Finding #10: (A) Project cost reports contain errors.
(B) Reports to GAMA contain errors.
- Amounts on final reports are not correct.
 - C-1 & C-2 units reported for USDA reimbursement could not be supported in all cases.
- (C) Reports to The Corporation for National and Community Service contained errors.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

RESPONSIBLE CONDITIONS - (continued)

Corrective Action: The year end Project Care report did not agree with the June 30, 1994 general ledger accounts. Amounts on the final reports to COMA did not agree with the books because of year end audit adjustments. However, during fiscal year 1994, C-1 and C-2 units were reported directly to COMA from the Tradewinds system, which is used to accumulate the data. This eliminated differences between the C-1 and C-2 units as processed by the Tradewinds system and the units reported to COMA.

Finding #11: The workman's compensation reports do not reconcile to payroll information. I also found out that the report copies at the Council's office do not always reflect the actual information submitted to the insurance company. Therefore, I could not determine if your workman's compensation premium was over or under paid.

Corrective Action: The Payroll clerk was made aware of this problem. No problems with the workman's compensation reports were noted in the current audit. However, four checks for monthly payments for workman's compensation had not been entered into the accounting records.

Finding #12: The Council has a special "Emergency Fund" bank account, which money can be used for any purpose. Proper documentation is sometimes not obtained for disbursements from this account. Some check stubs had receipts attached, some had PO/RY numbers, and some had neither.

Corrective Action: The "Emergency Fund" account was closed.

There Were Previously Identified Internal Control Structure Deficiencies That Had Not Been Corrected

Finding #1: Several of the 1993 audit findings, some of which were reported in the 1992 audit, had not been corrected.

Corrective Action: The Council's management is aware of the importance of compliance and has established the separate position compliance officer. However, as noted in the above discussions of corrective action taken, not all previously identified internal control deficiencies have been corrected.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (Continued)

INSTANCES OF NONCOMPLIANCE

Audit Report Was Not Submitted To The Legislative Auditor Timely

Finding #1: The Council's audit report for fiscal years 1994 and 1995 should have been completed and delivered to the Legislative Auditor by December 31, 1995 but it was not submitted until February, 1996.

Corrective Action: The fiscal year 1996 audit report will be delivered timely.

Several Instances of Noncompliance Were Noted Relating To The RSWP Program

Finding #1: The Council should have submitted to GOA a final report of RSWP expenditures within 60 days of the close of the grant year. No report was submitted.

Corrective Action: No report has been submitted for the 1995 grant year.

Finding #2: According to the contract with GOA the audit was to be completed by November 30, 1995 but it was not.

Corrective Action: The fiscal year 1996 audit report will be delivered timely.

Finding #3: According to the 1994 grant agreement with The Corporation for National and Community Service the volunteer expenses should have been at least 23.3% of the total program costs but the volunteer expenses were only 18.1% of total program costs. This resulted in questioned costs of \$3,493.

Corrective Action: These questioned costs were not disallowed. The volunteer expenses for the 1995 calendar year grant met the grant requirements.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

INSTANCES OF NONCOMPLIANCE

Finding #4: The third quarter report for 1994 and the final report for 1994 were submitted late to The Corporation for National and Community Service.

Corrective Action: Several reports were also submitted late in fiscal year 1994.

Finding #5: Amounts reported to The Corporation for National and Community Service were not correct for the June 30, 1994 and the December 31, 1994 reports.

Corrective Action: There continues to be errors in the reports.

Finding #6: No documentation was prepared contemporaneously for the in-kind costs used as local match by the Council on Aging.

Corrective Action: In-kind costs are now documented by allocating a share of indirect costs to ESAP and funding these costs with a transfer of local money.

There Were Errors in The Number of Meals Reported to OGEA For USDA Reimbursement Purposes

Finding #1: For the 6 month period (January 1, 1994 - June 30, 1994) the number of meals reported to OGEA for C-1 and C-2 meals were 48,046 and 88,721, respectively. According to the Council's records the number of C-1 meals served were 48,489 and 88,839, respectively, for this period of time. The net result is an overreporting of 443 meals.

Corrective Action: C-1 and C-2 meals are now reported directly to OGEA from the Tradewinds system, which is used to accumulate the data. This eliminates any differences between the Council's record of meals served and the meals served as reported to OGEA.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

INCIDENCES OF NONCOMPLIANCE

Finding #1: For fiscal year 1995 the number of meals reported for C-1 and C-2 meals reported to GSEA were 101,986 and 68,377, respectively. The actual number of meals served per the council's records were 109,710 and 69,129, respectively, resulting in net overreporting of meals of 3,506.

Corrective Action: Same as #1.

Reports Filed With GSEA Are Not Accurate As A Result Of The Audit

Finding: There were numerous adjusting entries posted by us during the audit which changed some of the direct costs charged to the GSEA funded programs. Further, by changing the direct costs, the indirect cost allocation had to be reworked, thereby changing those costs as well.

Corrective Action: There were significantly fewer adjusting entries during the fiscal year 1996 audit. However, reports will still be inaccurate due to audit adjustments.

There Were Problems In Allocating Indirect Costs Except All Of The Council's Programs

Finding #1: There were a couple of significant programs sponsored by the Council during the year that were not having any indirect costs allocated to them. The concept used by the council on how to allocate indirect costs is a reasonable method. However, it must include all of the significant programs.

Corrective Action: All significant programs had indirect costs allocated to them in fiscal year 1996.

CORRECTIVE ACTION TAKEN ON PERSON YEAR FINDINGS - (continued)

I also had several findings involving immaterial weaknesses in the internal control structure; immaterial instances of noncompliance with laws, regulations, contracts, and grants; and recommendations that I reported to management at the exit conferences. Here below are these items and the corrective actions, if any, that was taken.

IMMATERIAL INSTANCES OF NONCOMPLIANCE

Formal Training Needed To Improve Skills

Finding: The financial and compliance officer as well as the accounting supervisor should attend some seminars to improve their skills in governmental accounting as well as compliance matters. Specifically, I recommend basic governmental accounting courses and a course on GMS Circular A-87. These people should also read GMS's compliance supplement and the Common Rule to understand more about the federal requirements associated with grants received by the Council.

Corrective Action: All accounting personnel have begun attending continuing professional education classes.

Computer Data Needs Off-Site Back-Up

Finding: Computer data should be backed up and stored off-site. Presently, there is not any formal requirement to do this. However, the financial/compliance officer does take home a back-up of the key accounting data. Consideration should be given to whether or not other types of data should be backed up and stored off-site, who should do it, how often it should be done, etc.

Corrective Action: The Council has contracted with a computer network administrator. He is responsible for backing up the computer data and storing it off-site.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

IMMATERIAL INSTANCES OF NONCOMPLIANCE- (continued)

Network Software Problems Need Correcting

Finding: The Council experienced several problems with its network software during the audit which created some inefficiency in the process of completing this job as well as allowing the Council to process routine data properly. Management is aware of this and steps are being taken to correct it.

Corrective Action: The Council has changed its network software, upgraded its entire computer system, and contracted with a computer network administrator.

Cross-Training of Duties is Needed

Finding: There should be a cross-training of duties amongst members of the accounting department. I recommended that management take steps to have as many people cross-trained as possible.

Corrective Action: Cross-training of duties amongst members of the accounting department is in process.

Job Descriptions

Finding: With the addition of two new people in the accounting department after year end, it appears that everyone needs to know what they are supposed to do to make that department function as efficiently as possible and provide for a proper separation of duties and review of work. I encouraged management to make sure each person's job description was complete and not overlapping. I also recommended that a detailed job description be developed for the compliance officer. She does not presently have one.

Corrective Action: Job descriptions have been prepared for all members of the accounting department and for the compliance officer.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

IMMATERIAL INSTANCES OF NONCOMPLIANCE - (continued)

Utility Assistance Fund Balance and Bank Balance Were Not Reconciled

finding: I noticed that the bank balance for the checking account that had been established to account for the utility assistance donations did not equal the fund balance for that program on the Council's books. The fund balance at any month's end should have equaled the bank balance on the Council's books for the utility assistance program because a separate bank account was used to segregate these funds. However, the Council's bank accounts were consolidated into one account in January, 1996, to facilitate cash management and bookkeeping.

corrective
Action: No corrective action is necessary because the bank accounts are now consolidated.

Project Care Report(s) Need Amending

finding: I noticed that the project care report for June 30, 1996 did not show a fund balance that agrees with the audited fund balance. There is a need for someone to double check the accuracy of these reports and amend any report that is necessary to bring the ending balance as of June 30, 1996 into agreement with the audit report. Management said it would amend the reports.

corrective
Action: The June 30, 1996 Project Care report does not show a fund balance that agrees with the audited fund balance. Accordingly, the report will need to be amended.

In-Kind Contributions Should Be Valued and Recorded

finding: The Council received a variety of in-kind contributions during the year that included services and material donations. However, no entries were made to record in-kind contributions and corresponding expenses on the Council's books because there was not any objective evidence available at the time the donation was made to determine its value. I recommended to management that any time an in-kind donation is made that evidence be gathered contemporaneously and objectively to support the amounts that are going to be recorded on the Council's books. Tracking the value of the in-kind contributions can inform the users of the council's financial

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

IMMATERIAL INSTANCES OF NONCOMPLIANCE- (continued)

statements about other resources that are being provided to the Council to support its programs and objectives. Management indicated it would track these better in fiscal year 1996.

**Corrective
Action:**

Management has not yet followed this recommendation, but intends to do so.

Bank Balances Exceeded Insured Limits In Some Cases During The Year

Finding:

The Council's management is responsible for taking steps to maintain adequate depository insurance on collateral over its bank deposits. This was not done in 1994 and 1995. However, steps have been taken in January, 1996, to correct this situation.

**Corrective
Action:**

The Council now has only three bank accounts - payroll, operating, and short-term investment. All amounts in the operating account in excess of \$18,000 are automatically transferred to the investment account, where they are invested overnight in Treasury notes and/or Treasury bonds.

Adding or Expanding Programs Can Affect indirect cost allocation

Finding:

Any time a new program is added or an existing one is expanded beyond initial budget considerations, management must measure the impact on indirect cost allocations to all programs required to absorb these costs. In particular, grant programs may not absorb as much costs as anticipated which can ultimately result in unused revenues at the end of the grant period. This effect has a positive benefit because more program money can be used to provide direct services rather than pay for overhead costs. I recommend that any time a new program is added or an existing one is expanded, that a proposed budget revision be developed and the impact be assessed by management with approval by the Board of Directors before the council proceeds with the new program or existing program expansion.

**Corrective
Action:**

No new programs were added in fiscal year 1996. Management intends to follow this recommendation when programs are added or expanded in the future.

CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS - (continued)

IMMATERIAL INSTANCES OF NONCOMPLIANCE- (continued)

Problems Noted in Documenting Assessments Made For Title III C-2 Participants

Findings: The Council has an assessment process whereby it assigns a score to a person applying to receive home delivered meals based upon an evaluation by one of the outreach workers. A total score of 100 points or more is used to separate those people of greatest need from those people who are not in as much need. This is to help the council make sure its funds for the Title III C-2 program are first used where needed the most.

There were some instances noted by me during the eligibility tests where documentation about the assessment was not updated to show why a person was receiving a meal even though his score was less than 100. There needs to be a more efficient method to track participant data. One suggestion is to use a master worksheet including information such as, name of participant, participant number, date service began, date service ended, total account score, date of last assessment, and reason why a person with less than 100 points is receiving a meal.

**Corrective
Action:**

No eligibility problems were noted in the fiscal year 1996 audit.

EXIT CONFERENCE

East Baton Rouge Council on Aging, Inc.
Baton Rouge, Louisiana

For the Year Ended June 30, 1998

The exit conference was held on December 5, 1998, at the Council's administrative office in Baton Rouge, Louisiana. The conference was attended by Neil G. Ferrari, C.F.A.; Sheryl Dawkins, C.F.A.; Sharon LaFleur, Chief Executive Officer; Mike Edwards, Compliance Officer; Allison LeBlanc, Financial Officer; Joan Gallison, Clerical Supervisor; Mike Hill, Audit Manager of the City of Baton Rouge; Reginald Brown, Chairman of the Board; and Dorothy Green, Board Member.

During the exit conference I orally presented the findings that I noted during the audit of the Council's 1998 financial statements. These findings included reportable conditions, including material weaknesses in the internal control structure, instances of noncompliance, as well as some immaterial findings, other comments, and recommendations for management to consider. The reportable conditions and instances of noncompliance have been described on pages 61 to 67 of this audit report. The other findings, comments, and recommendations that I presented to management for consideration at the exit conference were as follows:

1. The Council should require time sheets and mileage logs be done in ink.

Management's Response and Action Plan:

All supervisors have been notified to inform employees that time sheets and mileage records must be done in ink.

2. The Council should follow the SFSPA bid requirements even if local funds are used for the purchase of fixed assets.

Management's Response and Action Plan:

East Baton Rouge Council on Aging's policy is to obtain competitive bids on all purchases in compliance with state bid laws regardless of funding sources.

3. Objective evidence to document the value of in-kind contributions should be obtained to permit values to be recorded on the books. There are special requirements relating to your ability to do this as permitted by generally accepted accounting principles. Consult us for help in this area.

Management's Response and Action Plan:

East Aston Neighbourhood Council on Aging has given to the accounting clerk supervisor the responsibility for tracking in-kind contributions, reporting these monthly, and preparing an annual report of in-kind donations. This individual is gathering any evidence necessary to document in-kind donations. These will be recorded on the council books in the future.

4. The Council should amend the 3 year Title VIII legal services contract to reflect the higher level of expenditures that GOSA required in this area.

Management's Response and Action Plan:

The Title VIII legal services contract has been amended to reflect the change in contract amounts.

5. The compliance officer should perform a self-assessment of the Council.

Management's Response and Action Plan:

The compliance officer is preparing a self-assessment instrument to be used by the council, and a self-assessment will be conducted during fiscal year 1997.

6. Remember to incorporate debt service payments into the Council's General Fund budget. Interest income should also be budgeted.

Management's Response and Action Plan:

Debt service payments are now included in the general fund budget, and, when the budget is amended, interest income will be a budgeted revenue.

7. The Compliance and Financial officers should attend courses specifically designed to meet the Council's needs and learn more about governmental compliance and accounting. This area is changing constantly and they need to keep updated. They may also need to buy some books and publications to use as reference materials.

Management's Response and Action Plan:

The compliance and financial officers, as well as other staff, will attend classes, seminars, etc. dealing with governmental compliance and accounting issues. Various books and publications to be used as reference materials have already been obtained. The budget will dictate the amount of

training that can be provided and the Council's ability to purchase reference materials.

The reportable conditions, instances of noncompliance, and recommendations were acknowledged by those who attended the exit conference. Management has responded and stated its action plan relating to my findings and these comments have been incorporated within this report where applicable. I did not have any disagreements with the Council's management during the audit. No separate management letter was issued by me as a result of the audit. I have considered my oral discussions at this exit conference along with the written comments about the reportable conditions, instances of noncompliance, and recommendations included in this report to be sufficient information for the Board of Directors and any party who may use this report.