

c. Fund Accounting:

• Special Revenue Funds - (continued)

Title III C-1 Congregate Meals Fund

The Title III C-1 Congregate Meals Fund is used to account for funds which are 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 Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. During the year the Council served 35,293 meals to people eligible to participate in this program.

Title III C-2 Home Delivered Meals Fund

Title III C-2 Home Delivered Meals Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. During the year the Council served 27,378 meals to people eligible to participate in this program.

Title III B Fund

The Title III B 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 B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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

Program Service Fees - (continued)

Program service fees are also generated by providing public transportation under the Local Transportation (Section 18) program. These revenues are recorded at the time the services are provided.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III B, C-1, and C-2 programs. Utility assistance funds are provided from public donations under the NSF Project care, DMMCO, and L F & L Helping Hands program. Restricted public support (\$1,881) was also received through a "Miles for Meals" Fund Raiser which purpose was to generate income for the C-2 program. Other public support was received (\$1,887) for the Council's C-2 program, and unrestricted support (\$5,480) was received from the 100mg at Heart Club. These funds are recorded as revenues when the cash is received because the Council cannot predict the timing of receipt and the amount it will receive.

Note 3 - Cash and Investments

Deposits - At June 30, 1996, the carrying amount of the Council's cash balances, including \$200 of petty cash, was \$57,971 and the bank balances were \$91,138. \$78,393 of the bank balances were covered by federal depository insurance and \$13,746 were covered by the Securities Investors Protection Corporation (SIPC).

Investments - State statutes authorize the Council to invest in United States Treasury Bonds, United States Treasury Notes, United States Treasury Bills, certain obligations of U.S. Government Agencies, and fully insured or collateralized certificates of deposit issued by qualified commercial banks organized under the laws of Louisiana and national banks having their principal office in the state of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

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 these estimates.

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

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

Intergovernmental Grants

The Senior Center, FOGA (AGC 716), and Title III funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until actual expenses are incurred.

Local Transportation (Section 18), FEMA, and Audit Revenues are recorded as revenues when the actual cost has been incurred, and the grant reimbursement is measurable and available.

U.S.D.A. program funds are earned and become susceptible to accrual based upon the number of units of service (meals) provided to C-1 and C-2 program participants and are recorded as revenues at that time.

Program Service Fees

Program service fees result from renting Medic Alert units to program participants and become susceptible to accrual as revenue at the time the units are rented.

Other program service fees are generated by completing Medicaid enrollment applications. The Council receives a fee for doing this based upon a pre-established rate from the Department of Health and Hospitals.

h. Annual and Sick Leaves:

The Council's annual and sick leave policy does not provide the accumulation and vesting of leave. In other words, an employee must "use or lose" any earned leave during the fiscal year. As a result, the Council has not accrued any unpaid costs relating to unused leave in the financial statements.

i. Related Party Transactions:

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

m. 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.

n. 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 no designated funds at June 30, 1994.

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 those funds to reflect the amount of fund balance not currently available for expenditure.

g. Budget Policy: - (continued)

- The Council may transfer funds between line items as often as required but must obtain approval from the Governor's Office of Elderly Affairs (GOEA) for funds received under grants from this agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item 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.

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 aggregation of this data.

i. Fixed Assets:

Assets which cost at least \$250 or which have an estimated useful life of greater than one year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets. Donated assets represent \$2,460 of the June 30, 1996, total for fixed assets.

j. Comparative Data:

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

g. Budget Policy: - (continued)

- Reverse projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Once information regarding projected revenues has been obtained, the Council's executive director prepares a proposed budget based on these projections, and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before June 10 of the current year for the next fiscal year.
- The adopted budget is forwarded to GOEA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the fiscal year, which was effective February 12, 1998. The budget amendment was approved by the Council's Board of Directors and by GOEA using a similar procedure as the approval of the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

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 increased (revenues and other financing sources) and decreased (expenditures and other uses) in net current assets.

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

f. **Transfers and Interfund Loans:**

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

g. **Budget Policy:**

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

- The governor's office of Elderly Affairs (OEEA) notifies the Council each year as to the funding levels for its program.
- The Livingston Parish Council (LPC) also provides funds to the Council via the Section 18 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council obtains information from DOTD regarding projected funding under the Section 18 program.

c. Fund Accounting:

• Special Revenue Funds - (continued)

Utility Assistance Fund

This fund is used to account for the administration of utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The Council receives its DEMCO and CSU Project Care donations directly from the utility companies. L P & L Helpline Funds donations are provided through the Louisiana Association of Councils on Aging, Inc. The Council did not receive any funds from DEMCO during fiscal year 1998.

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. The money received by this fund during the year was transferred to the Area Agency Administrative Fund to offset the audit fee which was charged to the This Fund as an expense.

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. Livingston Council on Aging was one of the parish councils to receive a special grant of \$4,000 to be used as supplemental funds to provide services at its community service centers. The money received by this fund during the year was transferred to the Title III B Fund because the costs of providing these services were paid and accounted for within that fund. The Governor's office of Elderly Affairs provided these funds to the Council.

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

FEHA Fund

The FEHA fund is used to account for the administration of a program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. During the year the Council used the FEHA funds to provide 4,114 additional home-delivered meals. Funds were also used to (1) purchase food which was used to make 1,980 boxes of food that were distributed to needy families, and (2) purchase food for the local food bank. Funds are provided by the Federal Emergency Management Agency through the United Way of America which in turn passes through the funds to the Council. A local board working with the parish's local United Way agency assists the Council in obtaining FEHA funds from United Way's national office.

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 referral, homemaker services, outreach services, chore services, legal services, case management, senior center operation, and transportation for the elderly. Title III-B Supportive Services funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

Title III C Area Agency Administrative Fund

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

Note 3 - Cash and Investments - (continued)

At June 30, 1984, investments consisted of the following:

<u>Investments</u>	<u>Cost</u>	<u>Market Value</u>	<u>Interest Rate</u>	<u>Maturity</u>
Investments Held by Merrill Lynch in the Council's name:				
U.S. Treasury Note	\$ 19,186	\$ 19,656	5.19%	07/31/88
U.S. Treasury Bond	9,913	10,910	7.88%	11/15/84
U.S. Treasury Note	9,735	9,983	8.03%	03/31/89
Federal National Mortgage(FNMA)	17,697	14,963	6.14%	2009
Federal Home Loan Mortgage(FHLM)	16,941	16,938	7.13%	2009
Government National Mortgage (GNMA)	16,880	16,147	7.15%	2009
Certificate of Deposit - Sight Bank	26,440	27,419	8.75%	09/11/84
Merrill Lynch Ready Asset Trust	<u>6,245</u>	<u>6,245</u>	4.99%	N/A
Total investments	\$180,418	\$179,982		

The above investments have been recorded in the General Fund on the Council's books at cost. The market values of the investments purchased through Merrill Lynch, the broker-dealer, fluctuate due to changes in interest rates and to reflect accrued but unpaid interest. Management considers any unrealized loss on its investments to be due to temporary conditions. Therefore, no adjustment has been made in these financial statements to recognize such loss. All of the above investments are classified as "category 1" type investments in accordance with GASB statement 3. The investments held by Merrill Lynch are covered by the Securities Investors Protection Corporation (SIPC).

SUPPLEMENTARY FINANCIAL INFORMATION

c. Fund Accounting:

* Special Revenue Funds - (continued):

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 Louisiana Governor's office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 58 cents/meal) 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 nutrition programs.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with Federal funds under the Elderly and Disabled Transportation Program. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. Two vehicles were acquired under this program during the fiscal year.

d. Account Group:

An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. The following account group is not a "Fund".

General Fixed Assets

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

Note 4 - Grants and Contracts Receivable

Grants and contracts receivable at June 30, 1996, consisted of reimbursements for expenses incurred under the following programs:

Program	Fund	Amount
U.S.D.A.	Special Revenues	\$ 11,597
Local Transportation (Section 18)	Special Revenues	<u>12,324</u>
Total		\$ 24,321

Note 5 - Prepaid Expenses

The Council has elected not 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 those funds to reflect the amount of fund balances not currently available for expenditure.

Prepaid expenses consisted of the following at June 30, 1996:

	Amount
Rent (see Note 13)	\$118,817
MAAAA Dues	<u>100</u>
Total prepaid expenses	\$118,917

Note 6 - Advances From Funding Agencies

This account represents funds received but which cannot be recognized as income under the terms of the grant award because allowable expenditures have not been incurred which permit the Council to record these funds as revenue. At June 30, 1996, the advances were as follows:

Program	Fund	Amount
FEMA	Special Revenues	\$14,872
Total		<u>\$14,872</u>

Note 7 - Changes in Fixed Assets

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

	Balance 01-01-88	Additions	Deletions	Balance 06-30-88
vehicles	\$124,323	\$ 73,568	\$126,087	\$171,804
Furniture & equipment	49,823	718	(518)	50,023
Computer equipment	31,270	-	-	31,270
Maintenance equipment	1,287	-	-	1,287
Leasehold improvements	9,537	-	-	9,537
Health maintenance equipment	1,532	-	-	1,532
Totals	\$208,772	\$ 74,286	\$126,605	\$256,453

Note 8 - 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 9 - In-Kind Contributions

The council received \$81,888 in various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenses, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

The primary in-kind contributions consisted of free rent and utilities for the Mandeville, Springfield, and French Settlement Senior centers; free utilities for these three sites plus the Dunham Springs facilities; and wages and fringe benefits for volunteer workers.

Note 9 - In-Kind Contributions - (continued)

A summary of the in-kind contributions and their respective assigned values is as follows:

Wages of volunteer workers (valued at \$4.25/hour)	\$ 42,000
Fringe benefits related to wages (including payroll taxes and workman's compensation)	3,074
Facility rental	12,000
Utilities for facilities	18,000
Telephone	2,300
Garbage pickup	2,000
Insurance	732
Maintenance and repairs	925
Total in-kind contributions	\$ 87,031

Note 10 - 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 11 - Lease and Rental Commitments

The Council has no capital leases but on February 1, 1993, it entered into an operating lease with the city of Benton Springs, Louisiana, to lease the building that the Council currently occupies at 242 Government Street, Benton Springs, Louisiana. Also included in this lease is the use of an addition (the Senior Center) that is adjacent to that building. Terms of the lease required the Council to prepay the rent in a lump-sum for the entire lease term of 600 months (February 1, 1993 to January 31, 2042); such prepayment being \$150,000. As a result, the Council will amortize this prepaid rent at \$25.00 per month over the term of this lease (\$2,500 annually). The unamortized balance as of June 30, 1993, was \$18,217.

Note 11 - Leases and Rental Commitments - (continued)

other significant terms of the lease require the Council to (1) maintain at least \$500,000 of liability insurance, (2) pay all the contents insurance of the buildings, and (3) be responsible for the costs of interior maintenance. The City of Danesh Springs is responsible for all costs relating to utilities, building fire and flood insurance, and major repairs to the external structure, heating and cooling system, and plumbing.

Rent expense, included under the operating services category on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended June 30, 1996, was \$2,600.

On January 1, 1998, the Council entered into a lease with the Young at Heart Club to use the Young at Heart Club's facility in Springfield. The lease term commences January 1, 1998 and ends January 1, 2021. The Council is responsible for maintaining a concrete seal and service delivery site within the premises during the term of the lease. The Council is required to pay for any insurance premiums relating to general liability and facility contents, while the Young at Heart Club has agreed to pay for utilities, garbage pickup, building insurance, and building maintenance and repairs. The Council is not required to pay any monthly rent and, if the Council's government funding is not provided in the future, the Council may terminate the lease.

Note 12 - FTA - Public Transportation Operating Assistance Program For the Non-Urbanized Area - Section 18

The council earned and received \$71,546 under the "Section 18" program which was allocated to the Local Transportation Fund. Total rural transportation costs incurred by the council were \$146,940 for the year ended June 30, 1996. These costs were funded as follows:

Section 18	\$ 71,546
In-kind contributions	17,808
Title III B grant funds	32,759
Client contributions	3,439
Other state funds (MCOG-Act 718)	12,474
State transportation	18,834
Public fares	<u>512</u>
 Total	 \$146,940

Note 13 - Judgments, Claims, and Similar Contingencies

There was one lawsuit pending against the Council at June 30, 1996. However, the lawsuit was settled out-of-court in July, 1996. The settlement was fully covered by the Council's liability insurance policy with the only out-of-pocket cost to the Council being the \$500 deductible under the terms of the insurance policy.

Note 14 - Federally Assisted Programs

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs; however, greater agencies may provide for further examinations. Our auditor has cited one instance of noncompliance with the budget amendment process resulting in some questioned costs this year. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent that they would materially affect the Council's financial position.

Note 15 - Economic Dependency

The Council receives the majority of its revenue through grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the 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 except for the Section 18 program in which a decrease of \$28,000 in grant revenues is expected.

Schedule 3
continued

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
ITEM III B			
Salaries	\$109,000	\$118,004	\$ (9,000)
Fringe	14,750	18,931	(4,180)
Travel	576	438	138
Operating services	50,368	50,796	1,428
Operating supplies	18,470	18,837	367
Other costs	24,038	23,435	2,503
Total	<u>\$217,902</u>	<u>\$230,431</u>	<u>\$ (12,529)</u>
ITEM III C - App. Agency Administration			
Salaries	\$ 10,000	\$ 9,476	\$ 1,389
Fringe	1,448	1,268	176
Travel	340	138	202
Operating services	1,123	8,330	(7,207)
Operating supplies	680	776	97
Other costs	2,716	4,462	(1,746)
Total	<u>\$ 18,907</u>	<u>\$ 24,350</u>	<u>\$ (5,443)</u>
ITEM III C-2			
Salaries	\$ 53,070	\$ 53,049	\$ 21
Fringe	7,327	7,319	8
Travel	578	576	2
Operating services	4,904	3,888	1,016
Operating supplies	1,613	1,439	174
Other costs	4,083	2,735	1,348
Resist			
Raw food	55,988	56,213	(227)
labor and non-edibles	24,937	24,436	501
Total	<u>\$143,400</u>	<u>\$139,345</u>	<u>\$ 4,055</u>

Note 18 - Risk Management

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

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

LIVINGSTON COLLEGE OF Aging
Bossier Springs, Louisiana

For the year ended June 30, 1988

	Programs of the General Fund		Totals
	Local	FICA (Act 711)	
REVENUES			
Intergovernmental:			
Office of Elderly Affairs	\$ -	\$ 11,779	\$ 11,779
Insurance Income	18,821	-	18,821
Public Support:			
Young at Heart Club	5,400	-	5,400
In-kind contributions	55,823	-	55,823
Total revenues	<u>80,024</u>	<u>11,779</u>	<u>91,803</u>
EXPENDITURES			
Current:			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	3,693	-	3,693
Operating supplies	-	-	-
Other costs	1,100	-	1,100
Debit	-	-	-
Capital outlay	17,679	-	17,679
In-kind expenses	56,513	-	56,513
Total expenditures	<u>87,892</u>	<u>-</u>	<u>87,892</u>
Excess of revenues over (indebt) expenditures	(7,868)	11,779	3,911
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(24,605)	(11,779)	(36,384)
Proceeds from sale of fixed assets	4,382	-	4,382
Excess of revenues and other sources over (under) expenditures and other uses	(20,223)	-	(20,223)
FUND BALANCES			
Beginning of year	387,188	-	387,188
End of year	\$366,965	\$ -	\$366,965

(continued from page 1)
 All figures are in dollars
 unless otherwise specified
 All figures are in thousands

Line	Account	12/31/01	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00	12/31/00
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Accounts receivable	11.9	12.5	10.5	9.5	11.4	12.1	10.9	10.6	11.0	10.4	10.9
2	Inventory	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
3	Prepaid expenses	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
4	Other assets	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
5	Accounts payable	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
6	Accrued liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
7	Other liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
8	Total assets	15.3	15.8	14.5	13.5	15.4	16.1	14.9	14.6	15.0	14.4	14.9
9	Total liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
10	Total equity	14.2	14.7	13.5	12.5	14.4	15.1	13.9	13.6	14.0	13.4	13.9
11	Total	15.3	15.8	14.5	13.5	15.4	16.1	14.9	14.6	15.0	14.4	14.9
12	Accounts receivable	11.9	12.5	10.5	9.5	11.4	12.1	10.9	10.6	11.0	10.4	10.9
13	Inventory	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
14	Prepaid expenses	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
15	Other assets	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
16	Accounts payable	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
17	Accrued liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
18	Other liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
19	Total assets	15.3	15.8	14.5	13.5	15.4	16.1	14.9	14.6	15.0	14.4	14.9
20	Total liabilities	1.1	1.1	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
21	Total equity	14.2	14.7	13.5	12.5	14.4	15.1	13.9	13.6	14.0	13.4	13.9
22	Total	15.3	15.8	14.5	13.5	15.4	16.1	14.9	14.6	15.0	14.4	14.9

SCHEDULE 2 - SUMMARY OF ASSETS AND LIABILITIES

Summary of major assets, liabilities, and equity in the United States, 1998

Table 1
Continued

1. Assets (billions of dollars)
Total net U.S. liability
to the rest of the world

Asset	1998		1997		1996		1995		1994		Total	%
	Value	% of total	Value	% of total	Value	% of total	Value	% of total	Value	% of total		
U.S. government securities	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign government securities	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. private securities	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign private securities	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. real estate	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign real estate	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. equity	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign equity	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. debt	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign debt	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. total	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign total	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
U.S. net	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0
Foreign net	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0	1,100	11.0

2. Liabilities (billions of dollars)

Total net U.S. liability
to the rest of the world

U.S. government securities
held by the rest of the world

3. Net income (billions of dollars)

U.S. net income

Foreign net income

Total net income

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

To the Board of Directors,
Livingston Council on Aging,
Denham Springs, Louisiana.

I have audited the general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana as of and for the year ended June 30, 1988, and have issued my report thereon dated August 6, 1988.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. These standards and OMB Circular A-128 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing my audit for the year ended June 30, 1988, I considered the internal control structure of Livingston Council on Aging, Denham Springs, Louisiana in order to determine my auditing procedures for the purpose of expressing my opinion on the Council's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated August 6, 1988 (see page 3).

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

a. Fund Accounting: - (continued)

expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and one broad fund category (account group).

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

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

• General Fund

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

The following programs comprise the Council's General Funds:

Local

Revenues, such as, unrestricted donations from the general public, interest income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets, have been recorded in the local program of the General Fund. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

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Financial Report
LIVINGSTON Council on Aging
Denham Springs, Louisiana
June 30, 1964

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

Release Date **DEC 18 1964**

Note 16 - Interfund Transfers

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

	Operating Transfers In	Operating Transfers Out
General Fund	\$ -	\$ (46,585)
Special Revenue Funds:		
Title III E	\$149,944	-
Title III C - AAA	2,129	-
Title III C-1	18,916	-
Title III C-2	48,055	-
Title III D	493	-
Title III F	1,299	-
PER	16,720	-
Senior Center	-	(39,420)
PERSA	-	(1,180)
Miscellaneous Grant	-	(4,500)
U.S.D.A.	-	(49,781)
Audit	-	(2,098)
Local transportation	-	(30,881)
Total special revenue funds	<u>334,852</u>	<u>(187,822)</u>
Total all funds	<u>\$334,852</u>	<u>\$ (214,557)</u>

Note 17 - 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 programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1996, is as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 17,766	\$ -
Special Revenue Funds:		
U.S.D.A.	-	4,843
Local Transportation	-	11,245
Total	<u>\$ 17,766</u>	<u>\$ 16,088</u>

Schedule 3
Grant Income

	<u>budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
UTILITY ASSISTANCE			
D P & D Helping Hands	\$ 3,800	\$ 3,794	\$ 6
DBCO	3,800	3,800	000
GGU - Project Care	<u>3,800</u>	<u>3,879</u>	<u>(79)</u>
total	\$ 7,800	\$ 8,373	\$ (573)
TRAVEL FEE			
Transfers to:			
STATE 111 C - Area Agency Administration	\$ -	\$ 3,000	\$ (3,000)
STATE 111 B	<u>3,000</u>	<u>-</u>	<u>3,000</u>
total	\$ 3,000	\$ 3,000	\$ -
DISSEMINATION COSTS			
Transfers out to State 111 B	\$ 4,500	\$ 4,500	\$ -
total	\$ 4,500	\$ 4,500	\$ -
FOOD			
Transfers out to:			
State 111 C-2	\$ 22,400	\$ 22,916	\$ (516)
State 111 C-2	<u>22,181</u>	<u>22,883</u>	<u>(702)</u>
total	\$ 44,581	\$ 45,801	\$ (1,220)
FOOD Capital outlay			
Capital outlay	\$ 22,732	\$ 22,732	\$ -
total	\$ 22,732	\$ 22,732	\$ -

This report is intended for the information of the Council's board of directors, management, Louisiana Governor's Office of Elderly Affairs, 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. Ferraro, CPA

Baton Rouge, Louisiana,
August 6, 1998.

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

To the Board of Directors,
Livingston Council on Aging,
Denham Springs, Louisiana.

I have audited the general purpose financial statements of Livingston Council on Aging, Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 8, 1996.

In connection with my audit of the general purpose financial statements of Livingston Council on Aging, Denham Springs, Louisiana, and with my consideration of the Council's internal control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-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 cost-sharing; and allowability of accounts claimed or used for matching; federal financial reports and claims for advances and reimbursements; cost allocations; and voluntary contributions by participants. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Council's compliance with these requirements. Accordingly, I do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to my attention that caused me to believe that Livingston Council on Aging, Denham Springs, Louisiana, had not complied, in all material respects, with these requirements. However, the results of my procedures disclosed immaterial instances of noncompliance with these requirements which are more fully discussed on pages 26 to 28 of this report.

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

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

During the year ended June 30, 1980, Livingston Council on Aging, Darhon Springs, Louisiana, had no major federal financial assistance programs and expended 32% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

PSA - Operating assistance for non-urbanized area public transportation - Section 18	\$ 71,546
Title III-C	84,854
Title III-B	____38,132
Total	\$218,532

I performed tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I have considered relevant to preventing or detecting material noncompliance with general requirements, specific requirements, requirements governing claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

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

To the Board of Directors,
Livingston Council on Aging
Benton Springs, Louisiana.

I have audited the general purpose financial statements of Livingston Council on Aging, Benton Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 6, 1996.

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

General Requirements

- Political activity
- Civil rights
- Cash management
- Federal financial reports
- Allowable costs/cost principles
- Drug-Free Workplace
- Administrative requirements

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

CORRECTIVE ACTION TAKEN ON PRIOR YEAR
FINDINGS AND RECOMMENDATIONS

Livingston Council on Aging
Newton Springs, Louisiana

June 28, 1986

In last year's audit I reported a finding about the Council not amending its budget in cases where actual costs of an expense category exceeded budgeted amounts by more than 10%. One instance was noted in this year's audit. See page 28 for discussion about the item noted.

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 conference. Here below are those items and the corrective action, if any, that was taken.

MINOR WEAKNESSES IN THE INTERNAL CONTROL STRUCTURE

Finding #1: When employees submit their timesheets, pay closer attention to whether or not they have signed the timesheets. I noticed a couple of isolated instances where the employee had forgotten to sign her timesheet.

Corrective Action: There were a couple of instances noted in our payroll tests where this occurred again.

Finding #2: All timesheets should be done in ink. I noticed that there were some timesheets that had been prepared in pencil.

Corrective Action: This finding appears to have been corrected based on our payroll tests.

Finding #3: Expand the components of the indirect cost categories for fringe expenses into FICA, LUTA, and workers's compensation rather than just having just one indirect cost line item to allocate the indirect costs to other programs.

Corrective Action: This was corrected.

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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,
Livingston Council on Aging,
Berham Springs, Louisiana.

I have audited the general purpose financial statements of Livingston Council on Aging, Berham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued my report thereon dated August 6, 1996.

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

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

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

I noted immaterial instances of noncompliance that I have discussed with and reported to management. See pages 28 to 34 of this report for additional discussion about these instances.

In planning and performing my audit of the general purpose financial statements of Livingston Council on Aging, Denham Springs, Louisiana, for the year ended June 30, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

There was an instance noted where the Council's actual cost for one expense category exceeded the budget limitation and the budget was not amended. I reported similar instances in last year's audit. In addition, the Council is not documenting the monitoring of service providers as required. More discussion about these matters can be found on pages 55 to 56 of this report.

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 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 do not believe the reportable conditions described above are material weaknesses.

I also noted other matters involving the internal control structure and its operation that I reported to the management of Livingston Council on Aging, Denham Springs, Louisiana, during our exit conference on October 23, 1996.

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

There was an instance noted where the Council's actual cost for one expense category exceeded the budget limitation and the budget was not amended. I reported similar instances in last year's audit. In addition, the Council is not documenting its monitoring of service providers as required. More discussion about these matters can be found on pages 55 to 56 of this report.

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 do not believe the reportable conditions described above are material weaknesses.

I also noted other matters involving the internal control structure and its operation that I reported to the management of Livingston Council on Aging, Denham Springs, Louisiana, during our exit conference on October 28, 1996.

This report is intended for the information of the Council's board of directors, management, Louisiana Governor's Office of Elderly Affairs, 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. Farnani, CPA

Baton Rouge, Louisiana,
August 6, 1996.

COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUP

Livingston Council on Aging
Denham Springs, Louisiana

June 30, 1996

With Comparative Totals for the Year Ended June 30, 1995

	Governmental		Amount ENCUM- BERED	Totals	
	Fund Types			48000-random only	1995
	GENERAL	SPECIAL REVENUE			
ASSETS					
CASH	\$ 36,344	\$ 14,950	\$ -	\$ 51,294	\$ 33,189
Inventories, at cost	180,418	-	-	180,418	218,137
Grants and contracts receivable	-	24,320	-	24,320	33,044
Accounts receivable	-	303	-	303	286
Prepaid expenses	118,617	-	-	118,617	121,662
Due from special revenue funds	17,708	-	-	17,708	16,323
Restricted assets:					
Cash	-	6,645	-	6,645	8,171
Deposits towards vehicle purchases	-	-	-	-	18,120
Fixed assets	-	-	277,648	277,648	239,822
Total assets	\$353,127	\$ 46,228	\$277,648	\$676,825	\$669,734
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ -	\$ 90	\$ -	\$ 90	\$ 34
Due to special fund	-	17,788	-	17,788	16,500
Advances from funding agencies	-	14,873	-	14,873	1,974
Deposits received-utility assistance	-	182	-	182	108
Total liabilities	-	32,733	-	32,733	18,816
Fund Equity and Other Credits:					
Fund balances:					
Reserved for:					
Deposits toward vehicle purchases	-	-	-	-	16,708
Prepaid expenditures	118,617	-	-	118,617	121,662
Utility assistance	-	6,945	-	6,945	8,271
Unreserved - unassigned	133,900	6,928	-	140,828	165,280
Investment in general	-	-	277,648	277,648	239,822
Fixed assets	-	-	277,648	277,648	239,822
Total fund equity and other credits	133,927	13,873	277,648	\$676,825	\$51,942
Total liabilities, fund equity and other credits	\$353,127	\$ 46,228	\$277,648	\$676,825	\$669,734

The accompanying notes are an integral part of this statement.

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Livingston Council on Aging
Denham Springs, Louisiana

June 30, 1998

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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 Livestock Council on Aging, Baston Springs, Louisiana, had not complied, in all material respects, with those requirements. However, the results of my procedures disclosed immaterial instances of noncompliance with those requirements which are more fully discussed on pages 55 to 56 of this report.

This report is intended for the information of the council's board of directors, management, Louisiana Governor's Office of Elderly Affairs, 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. Ferron, CPA

Baton Rouge, Louisiana,
August 8, 1988.

Finding #4: I noticed in one instance that an employee was paid \$40 too much on a paycheck. This was a clerical error in processing the wage and hour information.

Corrective Action: No similar errors were noted in this year's audit.

Finding #5: The director will occasionally omit initiating her approval on disbursement vouchers to indicate her approval for the payment of the invoice. Please keep this in mind when reviewing the paperwork packet at the time that checks are being signed.

Corrective Action: This finding appears to have been corrected based on our tests.

Finding #6: Occasionally, I noted that the purpose of a trip was not described very clearly on travel reimbursement requests. Please keep in mind that the employee should be more specific in describing the reason for the trip and the nature of the reimbursement request.

Corrective Action: No similar findings were noted this year.

Finding #7: The LUTA rate used on your in-kind worksheet is too high. You need to reduce it to what is actually being charged by the Office of Employment Security.

Corrective Action: The LUTA rate was lowered but does not agree with the actual rate. The rate used was 1.54 rather than .34.

Finding #8: Annual wages need to be totalled by person on your workman's compensation worksheet to allow a "mail-check" which can alert you to an over or under payment of workman's compensation premium.

Corrective Action: Action was taken to correct this finding.

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

Livestock Council on Aging
Gosham Springs, Louisiana

For the year ended June 30, 1984

	Balance June 30, 1983	Acquisitions	Disposals	Balance June 30, 1984
General fixed assets:				
Vehicles	\$168,185	\$ 70,566	\$135,067	\$103,684
Furniture and equipment	48,885	726	(218)	49,393
Computer equipment	12,300	-	-	12,300
Refrigerator equipment	2,287	-	-	2,287
Leasehold improvement	9,107	-	-	9,107
Health maintenance equipment	1,582	-	-	1,582
Total general fixed assets	232,346	\$ 71,300	\$135,485	\$277,488
Investment in general fixed assets:				
Property acquired prior to 7/1/84**	\$ 800	\$ -	\$ -	\$ 800
Property acquired with funds from -				
PTA	93,328	38,012	(27,288)	104,052
Title III B	8,044	-	(1,899)	6,145
Title III C - Administration	4,328	-	-	4,328
Title III D-1	18,178	-	-	18,178
Title III D-2	2,773	-	-	2,773
Title III E	9	-	-	9
Title III F	1,888	-	-	1,888
Senior Center	12,828	-	-	12,828
cash/loan	82,182	-	-	82,182
General funds and local donations	82,182	14,280	(139)	96,423
State allocation funds (Act 735)	10,862	-	(6,800)	4,062
Section 18	6,582	-	-	6,582
Total investments in general fixed assets	\$129,882	\$ 52,302	\$42,027	\$139,957

**Records reflecting sources from which assets were acquired were not maintained prior to 7/1/84.

OFFICE OF FEDERAL FINANCIAL ASSISTANCE

Interagency Council on Aging
 Before Spring, 1978

For the year ended Aug 31, 1978

AGENCY, AGENCY/GRANT NUMBER NUMBER/ PROGRAM TITLE	FEDERAL FUNDS NUMBER	GRANT YEAR 1978/79	FEDERAL OR STATE/GR AMOUNT	AGENCY/ GRANT YEAR	GRANT YEAR
Federal Emergency Management Agency					
Passed through the United Way of America:					
Emergency Fund & Shelter Program (24-0000-00)	01-003	01/01/78	1 34,000	1 34,000	1 34,000
Emergency Fund & Shelter Program (23-0000-00)	01-003	01/01/78	64,000	1,000	1,000
Subtotal (240 000,000)			100,000	35,000	35,000
Totals for The Federal Emergency Management Agency			100,000	35,000	35,000
U.S. Department of Health and Human Services					
Passed through the Governor's Office of Elderly Affairs:					
Special Programs for the Aging:					
Title III B-Supportive Services	00-044	01/00/79	34,150	34,150	34,150
Title III C-Home Agency Administration	00-045	01/00/79	14,000	14,000	14,000
Title III C-D-Integrated Home	00-045	01/00/79	37,233	37,233	37,233
Title III C-D-Home Delivered Meals	00-045	01/00/79	15,385	15,385	15,385
Subtotal (240 000,000)			100,768	100,768	100,768
Title III B-Home Based Services	00-044	01/00/79	1,000	1,000	1,000
Title III F - Disease Prevention and Health Promotion	00-043	01/00/79	1,000	1,000	1,000
Totals for U.S. Department of Health and Human Services			101,768	101,768	101,768
U.S. Department of Agriculture					
Passed through the Governor's Office of Elderly Affairs:					
Nutrition Program for the Elderly					
by grant (02)	10-540	01/00/79	00,000	00,000	00,000
by grant (03)	10-540	01/00/79	00,000	-	00,000
Subtotal (240 000,000)			00,000	00,000	00,000
Totals for U.S. Department of Agriculture			00,000	00,000	00,000

(Exhibit B Continued on Next Page)

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Littleton Council, an Aging
Resource for Aging, Activities

For the year ended June 30, 2000

FEDERAL TRANSACTION/AGENCY/PROGRAM/ACCOUNTING PROGRAM TITLE	FEDERAL FY00 NUMBER	STATE FISCAL YEAR	FEDERAL OR STATE AGENCY	FEDERAL AMOUNT RECEIVED	OTHER AMOUNTS
A. Department of Transportation					
Funds from the Institute of Transportation and Development:					
FTA - Elderly and disabled transportation program (Federal project 4740-00-0070) (State project 4740-00-0070)					
	46,000	000	00,000	46,000	46,000
Funds through the Virginia Public Transit Council:					
FTA - Not scheduled area public transportation operating maintenance program (Federal project 4740-00-0070) (State project 4740-00-0070)					
	46,000	000/00	00,000	46,000	46,000
Totals for A. Department of Transportation				92,000	92,000
Total federal grants				92,000	92,000

The above program was not completed. Littleton Council an aging had no major program during fiscal year 2000.

- (1) There were \$46,000 of funds carried over but not spent under the FY 00 award. These funds were carried over to FY 01 and spent this year.
- (2) Revenues recognized to meet their expenditures because the revenues under this program was carried under a self-aud contract. Budget revenues \$46,000 this year but \$46 carried over to be used next year.

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

QUESTIONED COSTS

Livingston Council on Aging
Berkham Springs, Louisiana

For the year ended June 30, 1998

There were not any findings noted during the audit that resulted in questioned costs except as itemized below. Other exceptions initially noted that could have produced questioned costs were satisfactorily resolved by management accepting recommended audit adjustments or producing evidence to resolve my questions.

<u>Reason of Questioned Costs</u>	<u>Program</u>	<u>Amount</u>
Total costs exceeded allowable budget limits	State III C - Area Agency Administration	\$ 1,700

The management of Livingston Council on Aging, Danham Springs, 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
- Investments
- 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
- Donated materials, facilities, and services
- 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

FINDINGS AND RECOMMENDATIONS - CURRENT YEAR

Livingston Council on Aging
Baton Rouge, Louisiana

For the year ended June 30, 1990

REPORTABLE CONDITIONS

Actual Costs Exceeded Budget Limitations In An Expense Category of One Program

Criteria: The Council is supposed to amend its budget when the actual costs of an expense category exceed its corresponding budget amount by more than 10%.

Condition: I noted one case where the actual cost exceeded the budget limitation in one expense category. The program and related expense category where this occurred is as follows:

<u>Program</u>	<u>Category</u>	<u>Actual Costs</u>	<u>Budgeted Amount + 10%</u>	<u>(Over) Under Budget</u>
Title III c - Area Agency Administration	Operating Services	\$4,350	\$4,434	\$(1,700)

Effect: I have questioned some of these costs because they exceeded allowable budget limits. The noncompliance resulted from a clerical error in the indirect cost allocation worksheet. This was an isolated incident.

Recommendation: Management should double check the indirect cost allocation worksheet for clerical errors to prevent inadvertent budget overruns.

Monitoring of Service Providers Needs Documenting

Criteria: According to OMB's Compliance Supplement, area agencies must provide technical assistance, monitor on-going projects, and periodically evaluate the performance of all service providers. This is a specific requirement for the Title III B and Title III c programs.

Conditions: In my discussions with the Council's bookkeeper, I was told the council is doing this informally but not documenting its compliance with this requirement.

Effects: There was not any effect on the Council's financial statements. No questioned costs resulted from this either.

Recommendation: I recommend that when the Council monitors its service providers that it be documented in writing.

Schedule 2
Work Orders

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
TITLE 111 C-2			
Salaries	\$ 21,125	\$ 19,899	\$ 1,226
Fringe	2,811	2,724	87
Travel	377	388	-11
Operating services	8,408	7,339	1,069
Operating supplies	2,877	1,832	1,045
Other costs	2,268	2,297	-29
Meals			
Raw food	24,182	24,222	-40
Labor and non-edibles	29,282	29,277	5
Totals	\$185,172	\$ 84,168	\$ 101,004
TITLE 111 D			
Salaries	\$ 348	\$ 348	\$ 00
Fringe	41	34	7
Travel	7	4	3
Operating services	82	69	13
Operating supplies	32	39	-7
Other costs	2,082	1,787	295
Totals	\$ 2,589	\$ 2,181	\$ 408
TITLE 111 E			
Salaries	\$ 887	\$ 832	\$ 55
Fringe	117	118	-1
Travel	18	14	4
Operating services	1,484	1,482	2
Operating supplies	65	62	3
Other costs	4,098	4,732	-634
Totals	\$ 7,659	\$ 7,224	\$ 435
SENIOR CENTER			
Transfers to Title 111 B	\$ 28,848	\$ 28,418	\$ 430
Totals	\$ 28,848	\$ 28,418	\$ 430

Recommendation #5: When contracting with the local board for next year's FEMA program, I recommend setting forth the amount of public transportation costs that you are adding on top of the direct costs of purchasing each "C-2" type meal. Presently, the C-2 meal cost a certain amount and the Council adds some money to each meal served to pay for the cost of transporting this meal to the participant. It appears that this is allowable under the FEMA guidelines but I encourage you to separate those components in your next contract so that there is not any misunderstanding as to whether or not the transportation factor is an allowable cost. I recommend following up with the FEMA officials to determine how this should be done and to what extent the additional charge can be added to the direct cost of purchasing the meal.

Corrective Action: The transportation element of the meal cost being charged to FEMA was recalculated and approximates actual cost with reasonable accuracy.

Recommendation #6: Occasionally the low bid for a particular food item that will be used in the food boxes, which are distributed under the FEMA program, would not be accepted because a particular brand was preferred. Your bid notice alerts the food supplier to the possibility of management changing its mind regarding whether or not to accept the proposed price for a particular product. However, I recommend that, when soliciting bids in the future, you specify a particular brand name to allow the food supplier an opportunity to try and sell that product to you.

Corrective Action: The low bidder was awarded the food sale in every instance this year. Brand names were not an issue in the procurement process.

5. SUPPLEMENTARY FINANCIAL INFORMATION:

•	Schedule 1 - Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - General Fund	44
•	Schedule 2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Special Revenue Funds	45
•	Schedule 3 - Schedule of Program Expenditures - Budget vs. Actual	47
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•	Schedule 5 - Schedule of Federal Financial Assistance	52
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8.	CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS AND RECOMMENDATIONS	57
9.	EXIT CONFERENCE	64

NEIL G. FERRARI

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
Livingston Council on Aging,
Denham Springs, Louisiana.

I have audited the accompanying general purpose financial statements of the Livingston Council on Aging, Denham Springs, Louisiana, as of and for the year ended June 30, 1994, 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-133, audits of State and Local Governments. These 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. 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 Livingston Council on Aging, Denham Springs, Louisiana, as of June 30, 1994, 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 August 6, 1988, on my consideration of Livingston Council on Aging's internal control structure and a report (see page 18) dated August 6, 1988, 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 Livingston Council on Aging, Denham Springs, 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 Livingston Council on Aging, Denham Springs, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
August 6, 1988.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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

To the Board of Directors,
Livingston Council on Aging,
Berden Springs, Louisiana.

I have audited the general purpose financial statements of Livingston Council on Aging, Berden Springs, Louisiana, as of and for the year ended June 30, 1988, and have issued my report thereon dated August 6, 1988.

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

EXIT CONFERENCE

Livingston Council on Aging
Denham Springs, Louisiana

June 28, 1986

The exit conference was held October 25, 1986. Those in attendance were Neil G. Ferreri, C.F.A., Mary Alice Core, the Council's Executive Director, and Nancy Boss, the Council's Bookkeeper.

I reported to Mrs. Core and Mrs. Boss that I did not discover any material weaknesses in the internal control structure or any material instances of noncompliance with laws, regulations, and grant agreements. I did note two reportable conditions relating to the Council's noncompliance with its contract with COSA and Federal grant requirements that I've described on pages 55 to 56.

I also reported other items to management to help it improve the Council's operations and controls as follows:

1. When employees submit their timesheets, pay closer attention to whether or not they have signed the timesheets. I noticed one instance where the employee had forgotten to sign her timesheet.
2. The Council has used various means to identify its fixed assets. I recommend during the next physical inventory, that all fixed assets be identified in the same manner.

Management acknowledged the reportable conditions and findings. Management also stated it would consider my recommendations. There were not any disagreements with management during the audit.

No separate management letter was issued as a result of the audit. I have considered my oral discussions at this exit conference and comments in the findings section of this report to be sufficient information for the board of directors or any other recipient of this report.

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

Neil B. Ferrai, CM

Baton Rouge, Louisiana,
August 6, 1988.

RECOMMENDATIONS TO IMPROVE THE INTERNAL CONTROL STRUCTURES
AND PREVENT FUTURE INSTANCES OF NONCOMPLIANCE
(continued)

Recommendation #7: When donating food to the food bank, I recommend you get a letter from the food bank acknowledging receipt of the specific items that were donated.

Corrective
Action: This recommendation was followed in fiscal year 1986.

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

**LIVINGSTON COUNCIL OF AGING
Denham Springs, Louisiana**

For the year ended June 30, 1994

With comparative Totals for the Year ended June 30, 1993

	General	Special Revenues	Totals	
			1994	1993
REVENUES				
State Governmental	\$ 31,379	\$486,123	\$499,903	\$518,997
Public Support	3,480	39,381	61,781	48,082
Interest Income	32,811	148	13,658	13,148
Program Service Fees	-	3,000	3,000	2,184
Grants - restricted funds	68,812	17,888	83,898	88,882
Total revenues	136,482	544,539	661,901	663,293
EXPENDITURES				
Capital	-	164,718	164,718	185,631
Salaries	-	27,360	27,360	24,961
Printing	-	1,056	1,056	2,120
Traavel	2,880	48,820	71,413	68,781
Operating services	-	18,612	18,612	26,468
Operating supplies	1,320	38,348	38,480	42,337
Office costs	-	164,488	164,488	189,472
Meals	27,570	26,738	73,708	38,388
Capital outlay	-	8,377	8,377	28,380
Building maintenance	-	17,888	83,898	88,882
In-kind expenses	87,480	-	-	-
Total expenditures	115,850	501,518	608,947	648,382
Excess of revenues over current expenditures	20,632	143,021	149,548	9,911
OTHER FINANCIAL SOURCES (USES)				
Operating transfers in	-	214,557	214,557	138,270
Operating transfers out	(48,880)	(167,872)	(214,387)	(138,270)
Proceeds from sale fixed assets	4,880	-	4,362	3,421
Excess of revenues and other sources over (under) expenditures and other uses	(44,000)	(113,155)	(145,184)	33,899
FUND BALANCES				
Beginning of year	387,156	34,615	613,781	379,876
End of year	343,156	\$ 13,460	508,447	411,775

The accompanying notes are an integral part of this statement.

**RECOMMENDATIONS TO IMPROVE THE INTERNAL CONTROL STRUCTURE
AND PREVENT FUTURE INSTANCES OF NONCOMPLIANCE**
(continued)

Recommendation #1: Rather than transferring the FEMA administration fee back to the General Fund, I recommend offsetting it against the indirect cost pool or transferring it directly as a subsidy to offset administrative costs in the Title III C-2 program because that program is providing the manpower and resources to deliver the FEMA meals.

Corrective Action: The Council began transferring the FEMA administrative fee to the C-2 program in fiscal year 1992.

Recommendation #2: Although not required, I recommend soliciting bids on purchases made with local funds. There are Federal and state regulations that govern how capital outlay purchases should be made using those funds but they do not extend to any unrestricted or local funds. Good procurement practices dictate following a similar bid process on large capital outlay purchases.

Corrective Action: Bids were solicited by phone and documented. Soliciting written bids would have been a better choice in one instance.

Recommendation #4: It was not clear in the September 7, 1994 minutes as to what funds should be used to buy your the C-2 van. I was told that the bus contingency funds were to be used. It is my understanding that this will be clarified and ratified in the next minutes of the board of directors.

Corrective Action: The Board of Directors subsequently ratified this action.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 ROBERT JOHNS HALL AND ACTING - GENERAL FUND**

Livingston Council on Aging
 Denton Springs, Louisiana

For the year ended June 30, 1978

	Budget	Actual	Variance Favorable Indefinite
REVENUES			
Intergovernmental	\$ 11,779	\$ 11,779	\$ -
Public support	-	5,400	5,400
Interest income	12,490	12,511	21
Program service fees	-	-	-
In-kind contributions	87,880	86,813	(1,067)
Total revenues	111,149	116,503	5,354
EXPENDITURES			
Salaries	-	-	-
Fringe	-	-	-
Travel	-	-	-
Operating services	2,400	2,400	(0)
Operating supplies	-	-	-
Other costs	-	1,139	(1,139)
Rents	-	-	-
Capital outlay	18,000	17,170	830
Utility assistance	-	-	-
Included expenses	62,688	66,819	4,131
Total expenditures	82,188	87,400	5,212
Balance of revenues over (under) expenditures	2,961	9,103	6,142
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers out	(42,204)	(46,565)	(4,361)
Proceeds from sale of fixed assets	-	4,362	4,362
Balance of revenues and other sources over (under) expenditures and other uses	(42,204)	(42,203)	1
FUND BALANCE			
beginning of year	387,134	387,134	-
End of year	344,930	344,937	7

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (BASED) AND ACTUALS - SPECIAL FUNDING FUNDS

Livingston Council on Aging
 Metairie Springs, Louisiana

For the year ended June 30, 1986

	Budget	Actual	Variance- Favorable (unfavorable)
REVENUES			
Intergovernmental	\$400,000	\$400,000	\$ 0.000
Public support	40,714	20,243	(20,471)
Interest income	-	140	140
Program service fees	-	3,000	3,000
Out-kind contributions	18,318	17,000	(1,318)
Total revenues	\$467,032	\$440,383	(\$ 26,649)
EXPENDITURES			
Salaries	100,000	100,000	\$ 0.000
Fringe	20,400	20,000	400
TRAVEL	0.000	3,000	3,000
Operating services	70,220	68,000	2,220
Operating supplies	20,200	18,000	2,200
Other costs	40,000	20,000	20,000
REPAIR	120,000	100,000	20,000
Capital outlay	0.000	0.000	-
Utility assistance	0.000	0.000	0.000
In-kind expenses	20,220	17,000	3,220
Total expenditures	\$620,820	\$602,000	\$ 18,820
Excess of revenues over (under) expenditures	(153,788)	(161,617)	\$ 7,829
OTHER FINANCING SOURCES (USES)			
Operating transfers in	100,000	100,000	\$ 0.000
Operating transfers out	(120,000)	(120,000)	0.000
Excess of revenues and other sources over (under) expenditures and other uses	(20,000)	(20,000)	\$ 0.000
FUND BALANCES			
beginning of year	\$ 20,000	\$ 20,000	\$ 0.000
end of year	\$ 0.000	\$ 0.000	\$ 0.000

The accompanying notes are an integral part of this statement.

Finding #1: I noticed an instance where one of the signatories on a cancelled check was by someone who was not authorized to sign checks. I understand that management was made aware of this isolated incident. This was a case of mistaken identity due to the addition of some new people to the signature cards. My review of the expenditure indicated that it was appropriate and all the proper approvals had been made along the way. This just was a clerical mistake. My recommendation is to pay closer attention to these items in the future to prevent similar occurrences.

Corrective Action: No similar instances were noted in this year's audit.

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

Finding # 1: Although your Medicaid waiver revenues are not material, the employee who prepares these forms and generates the revenues is paid primarily with Title III-B Supportive Service funds. My recommendation is to classify any revenues generated by the Medicaid waivers back to the program which provided the funds to pay the salaries for the person who prepared these forms.

Corrective Action: Action was taken to correct this finding.

Finding #2: I noted one instance where an in-take form was done subsequent to the serving of C-3 meals to one participant. The participant was qualified to receive these meals but the paperwork was not done timely.

Corrective Action: No similar findings were noted in this year's audit.

NOTES TO FINANCIAL STATEMENTS

Livingston Council on Aging
Denham Springs, Louisiana

June 30, 1986

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1984, the State of Louisiana passed Act 486 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 Louisiana Governor's office of Elderly Affairs. The Livingston Council on Aging is a non-profit, quasi-public corporation, which must comply with certain financial and administrative policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of the Livingston Council on Aging is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, advocacy, material aid, in-home services, operating senior centers, and transportation. A Board of Directors, consisting of 18 voluntary members, who serve three-year terms, governs the Council.

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

c. Fund Accounting: - (continued)

• General Fund - (continued)

FOGA (Act 735)

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

• 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:

Local Transportation

Local transportation funds are funds provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development which in turn passes these funds to the Council via the Livingston Parish Council. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within Livingston Parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs which did not require the Council to spend cash. This program is also referred to as the Section 18 program.

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

b. Presentation of Statements:

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

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

c. Fund Accounting:

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

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures, or

This report is intended for the information of the Board of directors, Management, the Legislative Auditor of the State of Louisiana, and the Louisiana Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
August 8, 1990.

IMMATERIAL INSTANCES OF NONCOMPLIANCE WITH LAWS,
REGULATIONS, CONTRACTS, AND GRANTS
(continued)

Finding #3: There are a couple of fixed assets that have been added this year which have not been tagged and I encourage you to do this as soon as possible.

Corrective Action: Management has identified the Council's fixed assets using various methods. It plans to inventory all fixed assets in fiscal year 1997 and convert them to the same identification method.

Finding #4: I noted that there were some utility charges paid under the FEMA program that were not in accordance with the FEMA guidelines. I also noted that FEMA provided you a waiver of these ineligible costs. I recommend that in the future, close attention be paid to the FEMA manual regarding what are eligible and ineligible charges.

Corrective Action: The Council quit paying utility charges under this program. Therefore, no similar instances were noted in this year's audit.

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

Recommendation #1: When computing the amount to allocate from your indirect cost pool, do not include any audit costs up to the amount of revenue that you receive as a audit subsidy from GSEA. This will help assure that the correct amount is allocated to the other funds and you can be assured of using the audit subsidy up first before charging any extra audit costs to the programs.

Corrective Action: Action was taken to implement this recommendation.