

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1997

1. Summary of Significant Accounting Policies

a. Statement of Presentation

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

The accompanying financial statements conform to generally accepted accounting principles for local governmental units as prescribed 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 Office of Elderly Affairs Contractors, and, the revised *Louisiana Governmental Audit Guide*.

b. Organization

The Louisiana Association of Councils on Aging, Inc., is a nonprofit quasi-public corporation that performs services for the sixty-four parish Councils on Aging, and operates grant programs. The Association receives funding from the State of Louisiana (Legislative Grant), Local Councils on Aging (membership fees), Louisiana Power and Light Company (Elderly Home Program), Louisiana Gas Service Company (Housing Help Program), and Central Louisiana Electric Company (Energy Fund Program).

c. Fund Accounting

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

NOTES TO FINANCIAL STATEMENTS

Louisiana Association of Councils on Aging, Inc.
Metairie, Louisiana

Continued Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
Special Revenue Funds
Year Ended June 30, 1997

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Intergovernmental	\$ 1,814	\$ 1,804	\$ 10
Miscellaneous	208,890	218,598	9,708
Total Revenues	\$210,704	\$220,402	\$9,698
EXPENDITURES:			
Current:			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	0	0	0
Operating Services	1,504	1,344	(160)
Operating Supplies	0	0	0
Capital Outlay	0	0	0
Other Costs	208,708	209,052	(356)
Total Expenditures	\$210,012	\$210,417	\$405
Excess (Deficiency) of Revenues Over Expenditures	\$ 692	\$ 985	\$ 293
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 0	\$ 0	\$ 0
Operating Transfers Out	0	0	0
Total Other Financing	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ (692)	\$ 985	\$ 1,677
Fund Balance—Beginning of Year	1,223	1,223	0
Fund Balance—End of Year	\$ 5,463	\$ 6,208	\$ 745

See notes to financial statements.

Louisiana Association of Controls on Aging, Inc.
Metairie, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual
General Fund Types
Year Ended June 30, 1997

	Budget	Actual	Variance (Favorable (Unfavorable))
REVENUES:			
Intergovernmental	\$ 78,856	\$ 78,856	\$ 0
Membership	389,125	271,281	117,844
Total Revenues	\$467,981	\$350,137	\$117,844
EXPENDITURES:			
Current:			
Salaries	\$ 98,778	\$ 104,419	\$ 5,641
Fringe	18,047	8,764	9,283
Traavel	13,000	12,248	752
Operating Supplies	27,108	39,087	(11,979)
Operating Supplies	11,200	8,088	3,112
Other Costs	175,882	182,178	(6,296)
Total Expenditures	\$213,272	\$222,684	\$9,412
Excess (Deficiency) of Revenues Over Expenditures	\$ 254,709	\$ 127,453	\$ 127,256
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 0	\$ 8,877	\$ 8,877
Operating Transfers Out	0	8,877	8,877
Total Other Financing	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 254,709	\$ 127,453	\$ 127,256
Fund Balance (Deficit) Beginning of Year	46,264	46,264	0
Fund Balance (Deficit) End of Year	\$ 300,973	\$ 273,707	\$ 27,266

See notes to financial statements.

Lawrence Association of Councils on Aging, Inc.
Mableton, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types

Year Ended June 30, 1997

With Comparative Amounts from Year Ended June 30, 1996

	General Fund Type	Special Revenue Fund Types	Totals	
			(Interpretation Date) 1997	1996
REVENUES				
Intergovernmental	\$ 78,856	\$ 1,044	\$ 79,900	\$154,811
Miscellaneous	221,283	318,828	480,111	290,216
Total Revenues	\$300,139	\$320,136	\$620,275	\$445,027
EXPENDITURES				
Current				
Salaries	\$ 58,479	\$ 0	\$ 58,479	\$ 61,421
Fringe	4,764	0	4,764	17,586
Travel	23,508	0	23,508	23,587
Operating Services	38,183	1,344	40,527	35,003
Operating Supplies	8,000	0	8,000	68,173
Other Costs	192,576	289,873	482,449	487,026
Capital Outlay	-----0	-----0	-----0	7,839
Total Expenditures	\$321,894	\$291,417	\$613,311	\$632,866
Excess (Deficiency) of Revenues Over Expenditures	\$ 78,245	\$ 28,719	\$ 106,964	\$ 212,161
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	\$ 8,877	\$ 0	\$ 8,877	\$ 1,461
Operating Transfers Out	-----8,877	-----0	-----8,877	-----1,461
Total Other Financing	\$-----0	\$-----0	\$-----0	\$-----0
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 78,245	\$ 28,719	\$ 106,964	\$ 210,701
Fund Balances (Deficit) Beginning of Year	-46,284	-5,232	-51,516	-49,256
Fund Balances (Deficit) End of Year	\$ 31,961	\$ 23,487	\$ 55,448	\$ 161,445

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Balance Sheet
All Fund Types and Account Group
June 30, 1997 and 1996

	Fund Types		Account Group General Fixed Assets	Totals	
	Governmental	Special Revenue		1997	1996
Assets					
Cash	\$78,700	\$8,774	\$ 0	\$ 78,704	\$ 52,894
Investments	6,515	0	0	6,515	0
Accounts Receivable	1,085	0	0	1,085	940
Due From Other Funds	8,888	0	0	8,888	8,888
Equipment	0	0	57,988	57,988	57,988
Total Assets	\$95,168	\$9,754	\$57,988	\$121,020	\$120,610
Liability					
Accounts Payable	\$ 4,823	\$ 0	\$ 0	\$ 4,823	\$ 1,278
PCCA Fee					
Received in Advance	0	0	0	0	979
Due to Other Funds	8,888	0	0	8,888	8,888
Total Liabilities	\$13,711	\$ 0	\$ 0	\$ 13,711	\$ 11,145
Fund Equity					
Investment in General Fixed Assets	\$ 0	\$ 0	\$7,988	\$ 7,988	\$ 57,988
Fund Balance:					
Unreserved-Undesignated	73,128	6,124	0	79,252	31,527
Total Fund Equity	\$73,128	\$6,124	\$ 7,988	\$127,312	\$109,521
Total Liabilities & Fund Equity	\$86,839	\$6,124	\$57,988	\$151,020	\$120,610

See notes to financial statements.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, combining, individual fund and account group financial statements of the Louisiana Association of Councils on Aging, Inc.

J. Hahn, Thomas & Cunningham
J. Hahn, Thomas & Cunningham, CPAs

September 24, 1997
Natchitoches, Louisiana

Johnson, Thomas & Cunningham

Chartered Public Accountants

John H. Johnson, C.P.A., 37 1/2 Notional Corporate (overseas)

John H. Johnson, C.P.A., 37 1/2 Notional Corporate

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Louisiana Association of
Councils on Aging, Inc.

We have audited the general purpose financial statements of the Louisiana Association of Councils on Aging, Inc., Membership, Insurance, and the combining, individual fund, and account group financial statements of the Association as of and for the year ended June 30, 1997, as listed in the Table of Contents. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office, and the Louisiana Governmental Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Association of Councils on Aging, Inc., as of June 30, 1997, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund, and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and the account group of the Louisiana Association of Councils on Aging, Inc., as of June 30, 1997, and the results of operations of such funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole, and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as "Schedules and Other Information" in the Table of Contents is presented for the purpose of additional analysis, and is not a required part of the financial statements of the Louisiana Association of Councils on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and the account group taken as a whole.

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Louisiana Association of Councils on Aging, Inc.

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LOUISIANA ASSOCIATION
OF COUNCILS ON AGING, INC.
ANNUAL FINANCIAL REPORT
JUNE 30, 1997

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

Released Date: NOV 15 1997

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Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1987

Governmental Fund Types

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

General Funds - The General Fund (State of Louisiana) and the Discretionary Fund (Local) are the general operating funds of the Association. They are 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 from which they are derived.

The following types of programs comprise the Association's General Fund:

Local - Local funds are received from various local sources; such funds not being restricted to any special use.

The Association's program participants also generate revenues through a variety of fund raising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as a part of the General Fund's local program.

FCDA, Act. 735 - State of Louisiana - FCDA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for the assistance to the Association. The Association may use these "ACT 735" funds at its discretion.

Special Revenue Funds - The Minority Incentive Training Program, Housing Help Fund, Helping Hand Fund, Energy Fund, Silver-Haired Legislators Fund, and Adult Attention Fund are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. There was no funding for either the Minority Incentive Training Program Fund or the Silver-Haired Legislators Fund during the '86-'87 fiscal year.

d. 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.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1987

Governmental funds are maintained on the modified accrual basis of accounting whereby 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.

e. Transfers:

Advances between funds which are not expected to be repaid are accounted for as operating transfers. In those cases where repayment is expected, the advances are accounted for through the various "due from" and "due to" accounts.

f. Budget Policy:

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

- (1) The Governor's Office of Elderly Affairs "GOEA" notifies the Association each year as to the funding levels for each program's grant award.
- (2) The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.
- (3) The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
- (4) The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.
- (5) All budgetary appropriations lapse at the end of each fiscal year (June 30).
- (6) The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- (7) Budgetary amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There were no amendments during the year effective June 30, 1987.
- (8) Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1997

g. Total Columns of Combined Statements - Overview:

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

h. Fixed Assets:

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

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

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

All fixed assets are stated at historical cost.

i. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Association'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.

j. Annual and Sick Leave, Vacation:

Employees of the Association do not accrue or "carry forward" vacation or sick leave from year to year. At each, there are no accruals made in either of the General Funds, or in a general long-term debt account group for these payments.

Louisiana Association of Councils on Aging, Inc.
 Natchitoches, Louisiana

Notes to Financial Statements
 June 30, 1997

1. Related Party Transactions:

The Association did not have any related party transactions during the year ended June 30, 1997.

2. Funding Policies and Sources of Funds:

The Association receives its monies through various methods of funding. Some of the funds are received on a grant basis. Under this method, funds are received as needed or on a monthly or quarterly allocation of the total grant.

3. Board of Director's Compensation:

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

4. Income Tax Status:

The Association is a nonprofit corporation exempt from Federal income taxation under Section 501 (C) (3) of the Internal Revenue Code.

5. Changes in General Fixed Assets:

A summary of changes in general fixed assets follows:

	Balance 07-01-96	Additions	Deletions	Balance 06-30-97
Office Furniture & Equipment	\$27,688	\$0	\$0	\$27,688

6. Cash and Investments:

Cash and investments are held separately by each of the Association's Funds. At June 30, 1997, the Association's cash and investments totaled \$81,218. Of the amounts held in commercial banks and savings and loan associations, the entirety was covered by federal depository insurance.

The Association's cash and investments are categorized below to give an indication of the level of risk assumed by the Association at June 30, 1997. Category 1 includes cash that is held by the Association, cash and investments that are insured or registered, or investments held by the Association or it's brokers in the Association's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the broker's-dealer's trust department.

Louisiana Association of Councils on Aging, Inc.
Mandeville, Louisiana

Notes to Financial Statements
June 30, 1997

or agent in the Association's name. Category 3 would include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by it's trust department or agent, but not in the Association's name.

	Category			Carrying Value
	1	2	3	
Cash-Checking Accounts	\$76,794	\$0	\$0	\$76,794
Cash-Savings	8,515	0	0	8,515
Totals	\$85,309	\$0	\$0	\$85,315

8. **Pension Plan-**

The Association has no pension plan for it's employees. All employees are covered by the Social Security Act.

9. **Judgments, Claims, and Similar Contingencies-**

There is no litigation pending against the Association at June 30, 1997. Furthermore, the Association's management believes that any potential lawsuits would be adequately covered by insurance.

10. **Federally Assisted Programs-**

The Association often participates in a number of federally assisted programs. These programs are conducted in accordance with the Single Audit Act of 1984. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Association's management believes that further examinations would not result in any significant disallowed costs.

11. **Economic Dependency-**

The Association receives the majority of its revenue from funds provided 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 the funds the Association 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 Association will receive in the next fiscal year.

Louisiana Association of Councils on Aging, Inc.
 Metairie, Louisiana

Notes to Financial Statements
 June 30, 1987

12. IRC Section 125 Cafeteria Plan

In January, 1982, the Association 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.

13. Interfund Transfers

Operating transfers in and out are listed by fund for 1987:

	Operating Transfers In	Operating Transfers Out
General Fund - Local		
General Fund - State of Louisiana	\$ 0	\$8,877
	\$8,877	0
Total General Funds	\$8,877	\$8,877
Special Revenue Funds		
Total All Funds	\$8,877	\$8,877

14. Interfund Loans

Because the Association 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, 1987, were as follows:

Louisiana Association of Councils on Aging, Inc.
 Metairie, Louisiana

Notes to Financial Statements
 June 30, 1997

	Due From Other Funds	Due To Other Funds
General Fund - Local	\$8,808	\$ -
General Fund - State of Louisiana	<u> 0</u>	\$,808
Total General Funds	\$8,808	\$8,808
Special Revenue Funds	\$ 0	\$ 0
Total All Funds	\$8,808	\$8,808

COMBINING FINANCIAL STATEMENTS

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Balance Sheet
General Fund Types
June 30, 1997

With Comparative Amounts from Year Ended June 30, 1996

Assets	General Fund Types		Totals	
	Local (Unrestricted)	State of Louisiana	(Microcomputer Only) 6-30-97	6-30-96
Cash	\$12,660	\$17,276	\$30,136	\$47,671
Investments, CD's	6,515	0	6,515	0
Accounts Receivable	1,000	0	1,000	661
Due from Other Funds	8,808	0	8,808	8,809
Total Assets	\$28,983	\$17,276	\$56,637	\$57,141
Liabilities				
Accounts Payable	\$ 4,621	\$ 0	\$ 4,621	\$ 1,326
PCCOA Fees	0	0	0	875
Received in Advance	0	0	0	0
Due to Other Funds	0	8,808	8,808	8,809
Total Liabilities	\$ 4,621	\$ 8,808	\$13,429	\$11,110
Fund Balances				
Unreserved-Undesignated	\$24,362	\$ 8,468	\$72,222	\$46,031
Total Liabilities & Fund Balances	\$28,983	\$17,276	\$85,651	\$57,151

See notes to financial statements.

Louisiana Association of Counties et al., Inc.
Washington, Louisiana

Combining Statement of Program Revenues, Expenditures & Changes in Fund Balances
General Funds

Year Ended June 30, 1997

With Comparative Amounts from Year Ended June 30, 1996

	Current Fund Year		Total	
	1997 (Unaudited)	1996	1997 (Audited)	1996
REVENUES				
Intergovernmental				
Office of Elderly Affairs				
Legislative Grant	\$ 0	\$18,000	\$ 18,000	\$ 18,000
Miscellaneous				
Transfers from Parish COAs	5,825	0	5,825	5,825
Interest Income	1,944	261	2,205	2,144
Special Revenue Admin. Fees	31,200	0	31,200	31,200
Cash Sales	134	0	134	90
FMS Fees	244,564	0	244,564	244,770
Insurance Admin. Fees	3,675	0	3,675	3,700
Miscellaneous	4,833	178	5,011	5,874
Total Revenues	\$271,031	\$18,239	\$289,270	\$297,713
EXPENDITURES				
Salaries	\$ 0	\$18,479	\$ 18,479	\$ 18,479
Fringe	0	4,766	4,766	4,766
Travel	22,139	0	22,139	2,996
Operating Services	28,772	13,915	42,687	9,183
Operating Supplies	8,688	0	8,688	10,074
Office Costs				
Cash Sales Encumbrances	80	0	80	68
Fidelity/COA Insurance	3,608	0	3,608	3,676
FMS Fees	175,143	0	175,143	169,829
COA Group Health Ins.	10,946	0	10,946	8,294
Capital Outlays	0	0	0	89
Total Expenditures	\$246,536	\$37,158	\$283,694	\$290,471
Excess (Deficiency) of Revenues over Expenditures				
	\$ 24,495	\$11,081	\$ 35,576	\$ 7,242
GRANT & PLACEMENTS RECEIVED (USE)				
Operating Transfers In	\$ 0	\$ 8,877	\$ 8,877	\$ 1,381
Operating Transfers Out	8,877	0	8,877	89
Total Other Financing	\$ 8,877	\$ 8,877	\$ 0	\$ 1,292
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses				
	\$ 33,372	\$ 20,958	\$ 54,330	\$ 8,534
Fund Balance (Deficit) Beginning of Year	22,138	1,096	23,234	26,000
Fund Balance (Deficit) End of Year	\$ 55,510	\$ 21,954	\$ 77,464	\$ 34,534

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combining Balance Sheet
Special Revenue Funds
June 30, 1993

	Special Revenue Funds				Totals	
	Heating Help Fund	Helping Hands Fund	Energy Fund	Adult Attention Fund	6-30-93	6-30-94
Assets						
Cash	\$1,847	\$1,494	103	50	\$3,494	\$1,273
Accounts Receivable	— 0	— 0	— 0	0	— 0	— 0
Total Assets	\$1,847	\$1,494	\$13	\$50	\$3,494	\$1,273
Liabilities						
Accounts Payable	\$ — 0	\$ — 0	\$ 0	\$ 0	\$ — 0	\$ — 0
Fund Balances						
Unassigned	\$1,847	\$1,494	\$13	\$0	\$3,354	\$1,273
Total Liabilities & Fund Balances	\$1,847	\$1,494	\$13	\$0	\$3,354	\$1,273

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Baton Rouge, Louisiana

Combining Statement of Program Revenues, Expenditures & Changes in Fund Balances
Special Revenue Funds
Year Ended June 30, 1967

	Special Revenue Funds				Totals	
	Housing Help Fund	Housing Grants Fund	Energy Fund	Adult, Blind and Deaf Fund	6/30/67	6/30/66
REVENUES:						
Organizational:						
Initiatives	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,000
Office of Safety Affairs	0	0	0	1,804	1,804	26,807
Miscellaneous:						
L.P.R.C. Contributions	0	14,007	0	0	14,007	180,000
L.A. Gas Service Co.	50,000	0	0	0	50,000	50,000
L.I.F.O.C. Contributions	0	0	29,000	0	29,000	29,000
Interest	209	29	0	0	238	676
Miscellaneous	0	0	0	0	0	3,899
Total Revenues	\$50,209	\$14,036	\$29,000	\$1,804	\$95,849	\$417,882
EXPENDITURES:						
Administration:						
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,780
Fringe	0	0	0	0	0	6,156
Travel	0	0	0	0	0	2,641
Operating Supplies	0	180	0	1,804	1,984	2,830
Operating Supplies	0	0	0	0	0	4,779
Other Costs:						
Capital Expenditures	0	0	0	0	0	1,230
Depreciation	0	0	0	0	0	11,580
Developmental Facilities	48,700	141,389	14,000	0	204,089	256,371
Construction	0	0	0	0	0	0
Total Expenditures	\$48,700	\$141,389	\$14,000	\$1,804	\$205,693	\$305,311
Excess (Deficiency) of Revenues Over Expenditures	\$1,509	\$0	\$0	\$0	\$1,509	\$112,891
CHANGES IN FUND BALANCES:						
Operating Transfers In:						
Operating Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,180
Operating Transfers Out	0	0	0	0	0	1,180
Total Other Financing	\$0	\$0	\$0	\$0	\$0	\$1,180
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Financing	\$1,509	\$0	\$0	\$0	\$1,509	\$111,651
Fund Balances (Deficit) Beginning of Year	2,261	2,957	0	0	5,218	11,881
Fund Balances (Deficit) End of Year	\$3,770	\$2,957	\$0	\$0	\$6,727	\$123,332

See notes to financial statements.

INDIVIDUAL FUND INFORMATION

Louisiana Association of Councils on Aging, Inc.
Metairie, Louisiana

Statement of Expenses—Budget and Actual
Year Ended June 30, 1997

	Budget	Actual	Budgeted Over/(Under) Actual
EXPENDITURES:			
Local (Unrestricted):			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	17,800	22,138	(5,338)
Operating Services	8,254	20,172	(11,922)
Operating Supplies	13,200	8,800	5,400
Other Costs:			
PMB Expense	145,584	175,742	(30,258)
CRA Sales Disbursements	0	82	(82)
COA Parish Inc.	6,478	5,688	1,878
COA Group Health Ins.	7,800	10,546	(3,746)
Capital Outlays	0	0	0
Total	\$215,232	\$243,996	\$28,764
State of Louisiana—Art 215:			
Salaries	\$ 46,778	\$ 48,477	\$ 2,259
Fringe	18,813	9,764	5,253
Travel	0	0	0
Operating Services	18,750	28,913	(10,250)
Operating Supplies	0	0	0
Other:			
COA Group Health Ins.	0	0	0
Total	\$ 99,541	\$ 97,654	\$ 1,887

Continued next page

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Statement of Expenditures-Budget and Actual
Year Ended June 30, 1997

	Budget	Actual	Budget Over/Under Actual
Helping Hand Program:			
Disbursements to Parish CCA	\$141,000	\$141,200	\$ (200)
Operating Services	____0	____0	____0
Total	\$141,000	\$141,200	\$ (200)
Energy Fund Program:			
Disbursements to Parish CCA	\$ 10,000	\$ 10,000	\$ (0)
Operating Services	____0	____0	____0
Total	\$ 10,000	\$ 10,000	\$ (0)
Home Help Program:			
Disbursements to Parish CCA	\$ 48,700	\$ 48,700	\$ (0)
Operating Supplies	____0	____0	____0
Total	\$ 48,700	\$ 48,700	\$ (0)
AMR Allocation Fund:			
Operating Services	\$ 1,000	\$ 1,000	\$ (0)

See notes to financial statements.

ACCOUNT GROUP FINANCIAL STATEMENT

Louisiana Association of Councils on Aging, Inc.
Methen, Louisiana

Comparative Statement of General Fixed Assets
June 30, 1987

	June 30, 1987
GENERAL FIXED ASSETS:	
Office Furniture & Equipment	\$57,582
INVESTMENT IN GENERAL FIXED ASSETS:	
Total Investment in General Fixed Assets	\$57,582

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Exit Conference

June 18, 1997

An exit conference was held on Friday, October 17, 1997, at the Association's office in Natchitoches, Louisiana. The conference was attended by Melanie McGill, Director of the Association, members of the Budget and Finance Committee, and Roger Cunningham, from the firm of Johnson, Thomas & Cunningham, CPAs. A separate management letter was not issued. However, the audit report, accounting records, and the internal control procedures of the Association were discussed, including all matters noted in the report on internal controls included herein. The director (and committee members) received our findings and recommendations favorably.

INTERNAL CONTROL AND COMPLIANCE

Johnson, Thomas & Cunningham

Chartered Public Accountants

Exhibit 1-1

Page 10

Bill G. Johnson, CPA, A. A. Registered Professional Accountant

*1997 Accountant
Registration Number 00007*

John D. Thomas, CPA, A. A. Registered Professional Accountant

00001, 00002, 00003

Wayne A. Cunningham, CPA, A. A. Registered Professional Accountant

00004, 00005, 00006

**AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE
OR BASIC FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors of the Louisiana
Association of Councils on Aging, Inc.

We have audited the general purpose financial statements of the Louisiana Association of Councils on Aging, Inc., and the combining, individual fund and account group financial statements for the year ended June 30, 1997, and have issued our report thereon dated September 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards for audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-118, *Standards of State and Local Governments*, and the Louisiana Governmental Audit Guide. Those standards and OMB Circular A-118 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Louisiana Association of Councils on Aging, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, intentions 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 or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Louisiana Association of Councils on Aging, Inc. for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express an opinion.

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

Summary of Deficit

Finding:

The accounting department of the Association consists of only three employees. This leaves very little opportunity to have a proper separation of duties needed for a strong system of internal control.

Recommendation:

Since the cost of an internal control system should not outweigh the benefits derived from it, we cannot recommend that additional personnel be added, and have no recommendation to make in this area.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts 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. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses, as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the use of management, all applicable Federal agencies, and those other governmental units from which financial assistance was received and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon delivery to the Louisiana Association of Councils on Aging, Inc., is a matter of public record.


James Thomas & Company
CPAs, Chartered

September 24, 1997
Marricoules, Louisiana

Johnson, Thomas & Cunningham
Registered Public Accountants

Exhibit 1-7
Page 12

Walter D. Johnson, CPA, A. A. H. National Registration Certificate

*1000 Boulevard - New
Orleans, Louisiana 70112*

Robert W. Thomas, CPA, A. A. H. National Registration Certificate

(504) 588-4447

Wayne A. Cunningham, CPA, A. A. H. National Registration Certificate

(504) 588-4447

COMPLIANCE REPORT BASED ON AN AUDIT OF THE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

Board of Directors of the Louisiana
Association of Councils on Aging, Inc.

We have audited the general purpose financial statements of the Louisiana Association of Councils on Aging, Inc. for the year ended June 30, 1997, and have issued our report thereon dated September 24, 1997.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States, Audits of State and Local Governments, and the Louisiana Governmental Audit Guide and the provision of Office of Management and Budget Circular A-128 "Audits of State and Local Governments." These standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Louisiana Association of Councils on Aging, Inc. is responsible for the Association's compliance with laws, regulations, contracts, and grants. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Association's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

This report is intended for the information of the Board of Directors and the management of the Louisiana Association of Councils on Aging, Inc. However, this report is a matter of public record and its distribution is not limited.

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPAs

September 24, 1997
New Orleans, Louisiana