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CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.

Baton Rouge, Louisiana

JUNE 22, 1988

Under provisions of state law, this report is a public document. A copy of this report has been submitted to the court, or retained, only and other agencies public officials. The report is available for public inspection at the Report House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 9 1988

L.A. CHAMPAGNE & CO., L.L.P.

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**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
INTRODUCTION AND SUMMARY**

June 30, 1966 and 1967

INTRODUCTION

The Agency received federal funds under entitlements from Title 112-B, C-1, C-2, B and Title 111-F of the Older Americans Act of 1965, as amended, and USDA Cash-in-Lieu of Commodities program. Other funds were received from the State of Louisiana under the Senior Center and Elderly Protective Services programs. Funding was also provided by Capital Area United Way, Energy's Project Care, and Dixie Electric's Energy Fund.

SUMMARY

During the periods ended June 30, 1966 and 1967, The Agency received \$1,614,787 and \$2,815,519, respectively, to fund administrative costs and programs serving older citizens. Funding is summarized as follows:

Funding Source	1966	1967
-----	-----	-----
Governor's Office of Elderly Affairs,		
State of Louisiana.....	\$2,158,383	\$2,838,843
Energy - Project Care.....	16,464	11,982
Dixie Electric - Energy Fund.....	=	4,188
United Way.....	126,561	125,654
Interest.....	8,519	8,348
Other.....	187,210	127,532
	-----	-----
	\$1,614,787	\$2,815,519
	-----	-----

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Capital Area Agency on Aging - District II, Inc.

We have audited the accompanying general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of Capital Area Agency on Aging - District II, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 1998, and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 9, 1998, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., taken as a whole. The accompanying schedule of expenditures of federal awards on page 10 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required

Continued...

part of the general purpose financial statements. Also, the accompanying combining financial statements pages 28 - 33 and supplementary information schedules pages 34 - 39 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Capital Area Agency on Aging - District 11, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

L. A. Champagne & Co. LLP
October 9, 2020

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	GENERAL FUND TYPE		ACCOUNT GROUPS		(Resolutions 98-5)	
	General	Special Revenue	General Accounts	Special Accounts	1999	1998
ASSETS						
Cash.....	\$ 7,424	\$ 23,403	-	-	\$ 321,788	\$ 281,489
Investment on pending contracts.....	-	214,987	-	-	114,987	265,379
Due from subcontractors.....	-	15,031	-	-	15,281	81,154
Other assets.....	-	8,126	-	-	-	8,349
Office equipment.....	-	-	39,487	-	29,887	24,378
Office furniture and fixtures.....	-	-	12,918	-	11,938	11,081
Amount to be received for electronic ET Long-term debt.....	-	-	-	7,000	7,000	7,781
TOTAL ASSETS.....	\$ 7,424	\$ 374,826	\$ 52,405	\$ 7,000	\$ 483,973	\$ 429,082

LIABILITIES AND FUND BALANCES

LIABILITIES						
Accounts payable and accrued expenses.....	-	\$ 32,424	-	-	\$ 281,122	\$ 271,282
Due to subcontractors.....	-	68,779	-	-	81,788	81,423
Accounts compensated, forfeited.....	-	-	-	7,000	7,000	7,781
TOTAL LIABILITIES.....	-	\$ 101,203	-	\$ 7,000	\$ 370,910	\$ 360,486
FUND BALANCES						
Unreserved.....	7,424	280,285	-	-	\$ 100,223	\$ 171,949
Reserve.....	-	-	52,405	-	32,765	21,637
Investments on pending FUND BUDGETS.....	-	-	-	-	-	-
Total fund balances.....	7,424	280,285	52,405	-	\$ 133,013	\$ 193,586
Total liabilities and fund balances.....	\$ 7,424	\$ 374,826	\$ 52,405	\$ 7,000	\$ 483,973	\$ 429,082

one accompanying cover

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES-
ALL GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 1988**

	General	Special Revenues	Totals	
			(Percentage only) 1988	1987
REVENUE				
Governmental.....	\$ 2,766,282	12,794,283	15,560,565	
Other:				
Energy - Project One.....	-	16,464	16,464	13,982
State Elections - Energy Fund.....	-	-	-	4,140
Medical Map.....	-	328,563	128,841	122,666
Interest.....	2,880	4,500	6,379	6,366
Other.....	-	187,778	187,778	123,832
	2,880	2,818,068	2,024,737	2,318,822
EXPENDITURES				
Administration:				
Salaries.....	-	127,000	127,000	118,327
fringe benefits.....	-	38,082	38,082	36,190
Travel.....	262	4,739	5,001	4,599
Operating supplies.....	-	52,640	21,890	24,762
Operating supplies.....	-	2,891	2,891	1,712
Professional services.....	-	6,800	6,800	6,400
Other costs.....	824	2,423	2,445	1,422
Capital outlay.....	2,074	-	2,074	-
	4,042	214,934	225,846	179,222
Congregate Meal Program.....	-	242,280	242,280	268,228
Home Delivered Meal Program.....	-	793,281	791,294	786,582
	-	2,128,862	2,128,862	2,148,866
Constrained social services:				
Accession Council on Aging, Inc.....	-	128,741	128,741	128,208
Accession Council on Aging, Inc.....	-	184,881	206,583	187,801
Capital Area Legal Services.....	-	148,000	148,000	124,208
Eldr. Fellowship Council on Aging, Inc.....	-	117,281	117,281	117,849
Inverline Council on Aging, Inc.....	-	144,232	144,212	152,281
Palmer Chapter Council on Aging, Inc.....	-	128,044	128,044	124,208
St. Johns Council on Aging, Inc.....	-	88,225	88,225	88,822
Southwest La. Legal Services Corp.....	-	100,000	147,818	95,518
Tangipahoa Council on Aging, Inc.....	-	260,000	287,000	288,281
Washington Council on Aging, Inc.....	-	117,186	118,726	126,271
West Baton Rouge Council on Aging, Inc.....	-	78,879	79,879	79,248
West Feliciana Council on Aging, Inc.....	-	64,556	66,556	64,228
The Medical Team.....	-	-	-	2,281
	-	2,622,876	2,820,876	2,624,576

Continued . . .

	General	Special Revenue	-----TOTAL----- (Memorandum only)	
	1998	1998	1998	1998
Total expenditures.....	\$ 8,542	\$ 2,982,482	\$2,990,520	\$2,979,743
Excess (deficiency) of revenue over expenditures.....	(2,152)	38,374	38,222	(56,344)
OTHER FINANCING SOURCES (USES)				
Selling securities in.....	--	419,363	419,363	382,433
Selling assets out.....	--	(419,363)	(419,363)	(382,433)
	--	--	--	--
Excess (deficiency) of revenue and other sources over expenditures and other uses.....	(2,152)	38,374	38,222	(56,344)
FUND BALANCES				
Beginning of year.....	29,865	160,932	191,998	227,842
End of year.....	\$ 2,808	\$ 192,384	\$ 200,200	\$ 171,998

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**

For The Year Ended June 30, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
REVENUE			
Interest.....	\$ 8,219	\$ 1,898	\$ (6,321)
	-----	-----	-----
	8,219	1,898	(6,321)
	-----	-----	-----
EXPENDITURES			
Administration:			
Travel.....	888	352	536
Capital outlay.....	3,074	3,074	-
Other.....	"	816	(816)
	-----	-----	-----
	3,074	4,042	(968)
	-----	-----	-----
Excess (deficiency) of revenue over expenditures.....	1,645	(2,144)	(3,789)
	-----	-----	-----
OTHER USES			
Operating transfers in.....	-	-	-
Operating transfers out.....	(1,645)	-	1,645
	-----	-----	-----
Deficiency of revenue and other sources over expendi- tures and other uses.....	"	(2,144)	(2,144)
	-----	-----	-----
FUND BALANCES			
Beginning of year.....	18,068	18,068	
	-----	-----	
End of year.....	\$ 18,068	\$ 7,924	
	-----	-----	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASED) AND ACTUAL -
SPECIAL REVENUE FUNDS**

For The Year Ended June 30, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
REVENUE			
Governmental.....	\$ 2,736,424	\$1,794,183	\$ 942,241
Other:			
Elderly - Project Care.....	-	18,464	18,464
United Way.....	125,656	128,561	2,905
Interest.....	3,664	4,689	(1,025)
Other.....	103,312	183,778	80,466
	<u>2,973,100</u>	<u>2,022,687</u>	<u>950,413</u>
EXPENDITURES			
Administrations:			
Salaries.....	123,765	127,388	373
Fringe benefits.....	17,885	20,883	(2,998)
Travel.....	8,833	4,738	2,295
Operating services.....	12,819	32,885	20,066
Operating supplies.....	3,743	3,881	(138)
Professional services.....	7,388	4,888	2,500
Other costs.....	3,871	3,829	42
	<u>218,450</u>	<u>218,926</u>	<u>476</u>
Congregate Meal Program.....	345,465	365,301	19,836
Home Delivered Meal Program.....	792,868	791,291	1,577
	<u>1,138,633</u>	<u>1,156,592</u>	<u>17,959</u>
Contracted social services:			
Assurance Council on Aging, Inc.....	122,088	128,743	(6,655)
Assumption Council on Aging, Inc.....	188,881	188,881	-
Capital Area Legal Services, Inc.....	188,088	188,088	-
East Pecos Council on Aging, Inc.....	115,523	137,593	(22,070)
Iberville Council on Aging, Inc.....	141,188	144,213	(3,025)
Pecos Council on Aging, Inc.....	128,208	130,044	(1,836)
St. Helena Council on Aging, Inc.....	88,928	88,928	-
Southwest La. Legal Services Corp.....	167,838	167,838	-
Tangipahoa Council on Aging, Inc.....	287,928	287,928	-

continued. . .

	Budget	Actual	Variance - Favorable (Unfavorable)
contracted social services (continued):			
Washington Council on Aging, Inc.....	228,728	\$ 228,728	\$ -
West Baton Rouge Council on Aging, Inc.	78,388	78,878	(490)
West Feliciana Council on Aging, Inc.	87,985	88,558	(573)
	<u>1,834,511</u>	<u>1,838,875</u>	<u>(4,364)</u>
Total expenditures.....	3,971,883	3,981,493	(9,610)
Excess (Deficiency) of revenues over expenditures.....	(1,645)	38,374	39,019
OTHER FINANCING SOURCES USED:			
Operating transfers in.....	418,750	418,363	(387)
Operating transfers out.....	(827,185)	(418,363)	408,792
	<u>1,445</u>	<u>-</u>	<u>(1,445)</u>
Excess of revenue and other sources over expenditures and other uses.....	-	38,374	\$ 38,374
FUND BALANCES			
Beginning of year.....	161,932	161,932	
End of year.....	\$ 161,932	\$ 182,306	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
NOTES TO FINANCIAL STATEMENTS**

June 30, 1988

A1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity

The Agency was formed in 1974 to ensure the availability of supportive, education, and volunteer services to persons aged 60 and older in the ten parishes surrounding the Baton Rouge Capital area. Elderly protective services are provided in East Baton Rouge Parish and eleven surrounding parishes. It also serves as an advocate and provides leadership on behalf of the elderly. The Agency coordinates funding to the parish councils on aging and monitors their providing of services to older citizens.

The Agency is not classified a component unit of another primary government nor does it have any component units. It is determined to be a separate special-purpose governmental entity and presents its financial statements in a form appropriate to that classification.

Presentation

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental entities as prescribed by the GASB, and the applicable requirements set forth in Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors; and, the Louisiana Governmental Audit Guide.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Income Tax Status

The Agency, a nonprofit corporation, is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Fund Accounting

The accounts of the Agency are organized on the basis of funds and account groups, which are considered separate accounting entities. The operations of each fund are accounted for with a separate set of

21: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Resources are allocated to and accounted for in individual Funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The various funds and account groups presented in these financial statements are described below.

Governmental Fund Types

Governmental funds are those through which the governmental functions of the Agency are financed. The general activities of the Agency, including the collection and disbursement of specific or legally restricted monies, the acquisition of general fixed assets and the servicing of general long term obligations are accounted for within the various governmental fund types described as follows:

General Fund - The General Fund is the general operating fund of the Agency. It is used to account for all financial resources except those required to be accounted for in another fund.

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.

Account Groups

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

General Fixed Assets - The fixed assets used in Agency operations are accounted for in the General Fixed Asset account group and are recorded as expenditures in the government funds when acquired.

General Long-Term Debt - Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt account group.

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, generally only current assets and current liabilities are included on the balance sheet. Operating statements reflect the increases and decreases 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.

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

The Service Center program, Title III-B, III C-1, III C-2, III-D, Elderly Protective Services and III-F 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 the actual expenditures are made. Home Care for Elderly - Medicaid Waiver program and Audit funds are also recognized as revenue as the related costs are incurred, and the grant reimbursement becomes available and is measurable.

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

The (now) United Way also provided funds to the Agency to support Title III C-2 and III-D Programs, and those revenues are susceptible to accrual.

Utility assistance funds are provided from public donations sponsored by various utility companies. Miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Transfers

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.

Budget Policy

Budgets for the various programs are prepared by the Agency's Executive Director and approved by the Agency's Board of Directors and the grantor of the funds for each respective program. Appropriations from the Governor's Office of Elderly Affairs lapse at year-end. The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Agency may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under contracts from that Agency.

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

Total Columns of the Combined Statements

Total columns on the combined 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

A1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

conformity with generally accepted accounting principles. Neither in such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Receivables and Bad Debts

Management believes that receivables are collectible in full, and no allowance for bad debts has been provided in the financial statements.

Fixed Assets

All fixed assets are accounted for in the General Fixed Asset account group and are stated at historical cost. No depreciation has been provided on general fixed assets.

Long-Term Liabilities

Long-term liabilities, specifically, accrued compensated absences, expected to be financed from governmental funds are accounted for in the General Long-Term Debt group of accounts.

Annual and Sick Leave

GASB Statement No. 18 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Agency has recorded a liability as of June 30, 1998 for the accrued vacation for each employee at the employee's current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensation.

GASB Statement No. 18 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

The management of the Agency has estimated that the portion of its liability for accrued compensated absences to be paid from expendable available financial resources is not material. Consequently, the total amount of accrued compensation is reported in the general long-term debt account group.

Comparative Data

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

B: CASH

The Agency's cash at June 30, 1988 is categorized below to give an indication of the level of risk assumed by the Agency at year end. Category 1 includes cash that is insured or registered, or otherwise secured by securities held by the Agency or its agent in the Agency's name. Category 2 includes uninsured and unregistered cash secured with securities held by the counter party's trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered cash secured with securities held by the counter party or by its trust department or agent but not in the Agency's name.

In accordance with GSA 3, Category 3 includes cash, certificates of deposit or money market accounts that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Agency's name although balances so collateralized meet the requirements of state law. All accounts shown in Category 3 are collateralized by securities held by the pledging financial institution but not in the Agency's name.

	-----Category-----			Bank Balance
	1	2	3	
Cash.....	\$ 198,000	\$ -	\$ 340,340	\$ 540,340
Total cash.....	\$ 198,000	\$ -	\$ 340,340	\$ 540,340

C: CONTRACTS RECEIVABLE

Contracts receivable at June 30, 1988, consist of the following:

AGENCY	AMOUNT
U.S.D.A.....	\$ 50,887
United Way.....	64,380
	\$ 114,967

D: BOARD OF DIRECTORS' COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses. These reimbursements were \$1,434 in 1988.

8: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Agency's long-term debt during fiscal year 1998.

	Balance 7-1-97	Additions	Reductions	Balance 6-30-98
Accumulated unpaid vacation.....	\$ 7,791	\$ 18,061	\$ (18,802)	\$ 7,050

9: FIXED ASSETS

A summary of changes to fixed assets at June 30, 1998, is as follows:

	OFFICE EQUIPMENT	OFFICE FURNITURE AND FIXTURES	TOTAL
Balance - beginning of year....	\$ 44,878	\$ 13,083	\$ 57,961
Additions:			
Computers and other office equipment.....	3,074	-	3,074
Office furniture.....	-	-	-
Deletions:			
Computers and other office equipment.....	(7,783)	-	(7,783)
Office furniture.....	-	(145)	(145)
Balance - end of year.....	\$ 39,857	\$ 12,938	\$ 52,795

10: PENSION PLAN

The agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$7,697 including Administrative charges, is reported in fringe benefits for 1998. Plan benefits are funded through group annuity contracts which are valued at \$91,884 as of December 31, 1997.

11: LEASE COMMITMENT

The Agency entered into an operating lease agreement for its office facilities in May, 1993. The initial lease term began July 1, 1993 and expired June 30, 1997. On July 1, 1997, the Agency exercised its option under the lease, extending the term two years to June 30,

8) LEASE COMMITMENT (Continued)

1999. Lease expense was \$15,782 for the year ended June 30, 1998. Future minimum lease payments under the terms of the lease option are as follows:

YEAR ENDING	AMOUNT
6-30-99.....	\$ 15,782
	\$ 15,782

1) INTERFUND TRANSFERS

Transfers in and out are listed by fund type for the year ended June 30, 1998:

	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND.....	\$ -	\$ -
Total General.....	-	-
SPECIAL REVENUE FUNDS		
Area Agency Administration.....	8,154	-
Title III C-1.....	48,148	-
Title III C-2.....	339,618	-
Title III-B.....	1,443	-
Title III-F.....	-	-
Elderly Protective Services.....	-	-
U.S.D.A. Comb.....	-	203,840
United Way.....	-	150,420
Other restricted.....	-	8,893
Total Special Revenue.....	419,363	419,363
	\$ 419,363	\$ 419,363

2) ECONOMIC DEPENDENCY

The Agency receives the majority of its revenue from grants administered by the Louisiana Governor's Office of Elderly Affairs. The grant amounts are appropriated each year by the federal and Louisiana state governments. If significant budget cuts are made at the federal and/or state level, the Agency's funding could be reduced significantly and have an adverse impact on its operations. However, management is not aware of any actions by Agency funding sources that will adversely affect operations in the next fiscal year.

4: FEDERALLY ASSISTED PROGRAMS - COMPLIANCE CONTINGENCIES

Federal and State assistance programs represent an important source of funding for the Agency. These programs are audited annually in accordance with the "Single Audit Act". Prior audits have not resulted in any significant disallowed costs; however, grantor agencies may conduct or require further examinations. Based upon prior experience, Agency management believes that further coordination would not result in any significant disallowed costs.

5: SUBCONTRACTOR AUDITS

All council on going subcontractors and certain other entities receiving funding from the Agency are responsible for having an independent audit performed in accordance with Government auditing standards and, additionally, in accordance with the "Single Audit Act" if federal expenditures exceed specified thresholds.

6: REQUIRED INDIVIDUAL FUND DISCLOSURES

No individual fund of the Special Revenue Funds had a deficiency of revenue over expenditures and other uses for the year ended June 30, 1998. General Fund expenditures exceeded current revenues by \$2,182 in 1998, but did not result in a general fund balance deficit as June 30, 1998.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes, as follows:

Title III C-1 Area Agency Administration (AAA)

The Title III C-1 Area Agency Administration (AAA) Fund accounts for the administration of the services provided to the elderly. Title III C-1 AAA funds are provided by the U.S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. These funds are used to pay the costs of administering programs.

Title III-B Fund

The Title III-B Fund is used to account for the support services, which include access services, in-home services, community services, and transportation, for the elderly. Title III-B Funds are provided by the U. S. Department of Health and Human Services through the Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging, which "passes through" the funds to the various service providers. These funds are also used to pay for information and assistance follow-up provided by Area Agency Administration.

Title III C-1 Fund

The Title III C-1 Fund accounts for the revenues and expenditures of federal and state grants for congregate meals for the elderly in strategically located centers. These funds are provided in the same manner as Title III-B above.

Title III C-2 Funds

Title III C-2 Funds are used to provide nutritional meals to home-bound elderly persons. These funds are provided in the same manner as Title III-B above.

Title III-B Fund

The Title III-B Fund is used to account for funds used to provide in-home supportive services to frail and elderly persons who are home-bound. Title III-B funds are provided in the same manner as Title III-B above.

Title III-F Fund

The Title III-F Fund is used to provide disease prevention and health promotion services and information to senior centers. Priority is given to areas which are medically underserved and in areas where there are large numbers of elderly who have the greatest economic need for such services.

FOOD FUND

The FOOD FUND is used to account for the administration of the Food Distribution Program funds provided by the U.S. Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Capital Area Agency on Aging. This program reimburses the area agencies on a per unit basis for each congruents and home delivered meal served to an eligible participant so that U.S. food and commodities may be purchased to supplement these programs.

Senior Center Fund

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

Audit Fund/Miscellaneous Grant

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 agency and the various councils' financial statements.

United Way

The United Way fund is used to account for funds received from the Capital Area United Way to supplement the home-delivered meals program and the Title III-D Personal Care Program.

Utility Relief

The Utility Relief Fund is used to account for the administration of programs sponsored by local utility companies who collect contributions from service customers and employees. These contributions and the utility companies' corporate donations are remitted to the Agency who "passes through" the funds to the various Councils to provide assistance to the elderly with emergencies in the payment of energy costs.

Adult Protective Services Fund

The Adult Protective Services Fund (Elderly Protective Services) is used to account for the administration and support of the program to protect individuals sixty years of age or older who cannot physically or mentally protect themselves and who are harmed or threatened with harm through action or inaction by themselves or by individuals responsible for their care or by other parties.

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
COMBINING STATEMENT OF PROGRAM REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCE -
GENERAL FUND**

For the Year Ended June 30, 1966

	Local -----	Total -----
REVENUE		
Interest.....	\$ 1,000	\$ 1,000
	-----	-----
	1,000	1,000
	-----	-----
EXPENDITURES		
Administration:		
Treasury.....	552	552
Capital outlay.....	3,074	3,074
Other.....	616	616
	-----	-----
	4,082	4,082
	-----	-----
Deficiency of revenue over expenditures.....	(3,182)	(3,182)
	-----	-----
OTHER USES		
Operating transfers out.....	-	-
	-----	-----
	-	-
	-----	-----
Deficiency of revenues over expenditures and other uses.....	(3,182)	(3,182)
	-----	-----
FUND BALANCES		
Beginning of year.....	10,866	10,866
	-----	-----
End of year.....	\$ 7,684	\$ 7,684
	-----	-----

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
COMBINING STATEMENT OF PROGRAM REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS

For The Year Ended June 30, 1958

GENERAL FUND	REVENUE		EXPENSES		CHANGES IN FUND BALANCE		TOTAL
	1958	1957	1958	1957	1958	1957	
Administrative	10,000	10,000	10,000	10,000	0	0	0
Program	20,000	20,000	20,000	20,000	0	0	0
Capital	10,000	10,000	10,000	10,000	0	0	0
Total	40,000	40,000	40,000	40,000	0	0	0
Administrative	10,000	10,000	10,000	10,000	0	0	0
Program	20,000	20,000	20,000	20,000	0	0	0
Capital	10,000	10,000	10,000	10,000	0	0	0
Total	40,000	40,000	40,000	40,000	0	0	0

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For The Year Ended June 30, 1980

	Budget	Actual	Variance - Favorable (Unfavorable)
	-----	-----	-----
GENERAL FUND			
LOCAL			
Travel.....	\$ 500	\$ 502	\$ 2
Capital Outlay.....	3,034	3,074	-
Other.....	-	618	(618)
Transfers to other funds:			
Title III C-1 Area Agency Admin- istration.....	1,645	-	1,645
	\$ 5,179	\$ 4,642	\$ 1,537
	-----	-----	-----
SPECIAL REVENUE FUNDS			
TITLE III C-1 AREA AGENCY ADMINISTRATION			
Salaries.....	\$ 93,440	\$ 93,440	\$ -
Fringe benefits.....	28,075	28,581	(506)
Travel.....	4,810	3,787	1,023
Operating services.....	23,675	23,887	212
Operating supplies.....	3,712	3,436	276
Professional services.....	2,880	1,327	1,553
Other costs.....	3,339	758	2,581
	\$ 154,637	\$ 151,328	\$ 3,309
	-----	-----	-----
TITLE III-B SUPPORTIVE SERVICES			
Salaries.....	\$ 28,662	\$ 28,286	\$ 376
Fringe benefits.....	8,998	8,484	514
Travel.....	1,508	1,329	179
Operating services.....	5,079	6,817	(1,738)
Operating supplies.....	348	321	27
Professional services.....	1,834	1,000	834
Other costs.....	523	389	134
Contracted services.....	632,884	632,884	-
	\$ 566,794	\$ 565,879	\$ 915
	-----	-----	-----
TITLE III PART F, DISEASE PREVENTION/HEALTH PROMOTION			
Salaries.....	\$ 4,923	\$ 4,923	\$ -
Fringe benefits.....	741	741	-
Travel.....	129	129	-
Operating supplies.....	283	281	2
Materials.....	243	243	-

Continued. . .

	Budget	Actual	Variance - Favorable (Unfavorable)
Other costs.....	57	57	-
Contracted services.....	19,344	19,344	-
	<u>\$ 19,401</u>	<u>\$ 19,401</u>	<u>\$ -</u>
TITLE III C-1 (CENTERED MEALS AND SERVICES)			
Congregate Meal Program:			
Centered meals:			
Raw foods.....	\$ 186,678	\$ 186,678	\$ -
Labor and non-edibles.....	158,997	158,611	386
Contracted services.....	350,310	350,310	-
	<u>\$ 695,985</u>	<u>\$ 695,609</u>	<u>\$ 376</u>
TITLE III C-2 (CENTERED MEALS AND SERVICES)			
Home Delivered Meal Program:			
Centered meals:			
Raw foods.....	\$ 382,808	\$ 382,808	\$ -
Labor and non-edibles.....	410,443	408,786	1,657
Contracted services.....	246,612	246,612	-
	<u>\$1,039,863</u>	<u>\$1,038,206</u>	<u>\$ 1,657</u>
TITLE III-D			
Contracted services.....	\$ 20,579	\$ 20,579	\$ -
	<u>\$ 20,579</u>	<u>\$ 20,579</u>	<u>\$ -</u>
T.E.S.A.			
Transfers to other programs:			
Title III C-1 Congregate Meals..	\$ 71,883	\$ 69,148	\$ 2,735
Title III C-2 Home Delivered Meals.....	227,286	224,692	2,594
	<u>\$ 299,169</u>	<u>\$ 293,840</u>	<u>\$ 5,329</u>
SENIOR CENTER			
Contracted services.....	\$ 266,937	\$ 266,937	\$ -
	<u>\$ 266,937</u>	<u>\$ 266,937</u>	<u>\$ -</u>
SUPPLEMENTAL SENIOR CENTER			
Contracted services.....	\$ 38,508	\$ 38,508	\$ -
	<u>\$ 38,508</u>	<u>\$ 38,508</u>	<u>\$ -</u>

continued. . .

	Budget	Actual	Variance - Favorable (Unfavorable)
ASST			
Professional services.....	\$ 3,486	\$ 3,486	\$ -
contracted services.....	10,837	10,837	-
	\$ 14,323	\$ 14,323	\$ -
UNITED WAY			
contracted services.....	\$ 5,226	\$ 5,226	\$ -
transfers to other programs:			
Title III C-1 Area Agency Admin- istration.....	5,504	5,504	-
Title III C-2.....	124,624	114,926	-
	\$ 125,624	\$ 124,624	\$ -
UTILITY RELIEF			
contracted services.....	\$ -	\$ 18,464	\$ (18,464)
	\$ -	\$ 18,464	\$ (18,464)
WELFARE PROTECTIVE SERVICES			
Salaries.....	\$ 11,340	\$ 11,340	\$ -
Fringe benefits.....	3,136	3,187	28
Travel.....	490	308	182
operating services.....	1,385	3,701	(2316)
operating supplies.....	600	494	6
Professional services.....	1,100	307	793
Other costs.....	1,098	1,377	(279)
Contracted services.....	211,382	231,382	-
	\$ 222,221	\$ 252,112	\$ -
OTHER PROGRAMS			
Operating supplies.....	\$ -	\$ 388	\$ (388)
Other costs.....	-	145	(145)
Transfers to other programs:			
Title III C-1 Area Agency Admin- istration.....	5,307	3,450	1,857
Title III-B.....	3,359	1,443	916
	\$ 7,666	\$ 4,893	\$ 2,773
TOTAL EXPENDITURES.....	\$3,484,127	\$3,408,808	\$ (75,319)
TOTAL TRANSFERS TO OTHER PROGRAMS.....	(428,754)	(419,363)	(9,391)
TOTAL EXPENDITURES AND TRANSFERS TO OTHER PROGRAMS.....	\$2,855,373	\$2,989,445	\$ (134,072)

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**
**COMPARATIVE STATEMENTS OF
GENERAL, FIXED ASSETS AND CHANGES IN GENERAL, FIXED ASSETS**

Year 19, 1990 and 1989

	Balance Jan. 30, 1989	Increase- Decrease	Addition	Deduction	Balance Jan. 30, 1990
OFFICE EQUIPMENT					
Computer equipment	\$ 25,288	-	\$ 3,004	\$ 7,287	\$ 18,005
Typewriter and calculator	2,919	-	-	336	2,583
Copier and other office machines	28,288	-	-	288	28,000
	56,495	-	3,004	7,911	51,588
OFFICE FURNITURE AND FIXTURES					
Office furniture	8,719	-	-	287	8,432
Filing cabinets and lockers	2,843	-	-	-	2,843
Electronice typewriter	56	-	-	-	56
	11,618	-	-	287	11,331
TOTAL GENERAL, FIXED ASSETS	\$ 67,813	-	\$ 3,004	\$ 8,208	\$ 62,609
INVESTMENT IN GENERAL, FIXED ASSETS					
State of Ill. 6 1/2 Area Agency Administration	\$ 21,277	-	-	\$ 7,508	\$ 13,769
State of Ill. 6-4	25,142	-	-	-	25,142
State Adult Protective Services	9,438	-	-	258	9,180
State of Ill. Park & Recreation/OSHA/OS Permittees	276	-	-	-	276
Total	56,133	-	3,674	-	60,807
TOTAL INVESTMENT IN GENERAL, FIXED ASSETS	\$ 56,133	-	\$ 3,674	\$ 7,766	\$ 63,043

**CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF PAYMENTS TO SUBCONTRACTORS CATERGORIZED BY FUNCTION**

For the Year Ended June 30, 1988

DESCRIPTION OF CONTRACT	TOTAL AND NATIONAL AGENCY CONTRACTS	CONTRACTS IN PROGRESS	TOTAL CONTRACTS	CONTRACTS COMPLETED	CONTRACTS IN PROGRESS	TOTAL CONTRACTS	CONTRACTS COMPLETED	TOTAL CONTRACTS	CONTRACTS COMPLETED	TOTAL CONTRACTS
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accountant General on contracts for travel on agency contracts	5,400	5,400	5,400	5,400	-	5,400	5,400	5,400	5,400	5,400
Accountant General on contracts for travel on agency contracts	46,780	46,780	46,780	46,780	-	46,780	46,780	46,780	46,780	46,780
Accountant General on contracts for travel on agency contracts	-	11,476	11,476	-	-	11,476	-	11,476	-	11,476
Accountant General on contracts for travel on agency contracts	41,476	41,476	41,476	41,476	-	41,476	41,476	41,476	41,476	41,476
Accountant General on contracts for travel on agency contracts	85,250	85,250	85,250	85,250	-	85,250	85,250	85,250	85,250	85,250
Accountant General on contracts for travel on agency contracts	41,250	41,250	41,250	41,250	-	41,250	41,250	41,250	41,250	41,250
Accountant General on contracts for travel on agency contracts	94,844	94,844	94,844	94,844	-	94,844	94,844	94,844	94,844	94,844
Accountant General on contracts for travel on agency contracts	-	5,625	5,625	-	-	5,625	-	5,625	-	5,625
Accountant General on contracts for travel on agency contracts	33,450	33,450	33,450	33,450	-	33,450	33,450	33,450	33,450	33,450
Accountant General on contracts for travel on agency contracts	19,121	19,121	19,121	19,121	-	19,121	19,121	19,121	19,121	19,121
Accountant General on contracts for travel on agency contracts	25,840	25,840	25,840	25,840	-	25,840	25,840	25,840	25,840	25,840
Accountant General on contracts for travel on agency contracts	25,466	25,466	25,466	25,466	-	25,466	25,466	25,466	25,466	25,466
TOTAL	485,321	485,321	485,321	485,321	-	485,321	485,321	485,321	485,321	485,321

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
SCHEDULE OF PRIORITY SERVICES
TITLE III-B - GRANT FOR SUPPORTIVE SERVICES
For the Year Ended June 30, 1998**

	AMOUNT	TOTAL	% of CASA Grant
	*****	*****	*****
Access (304): Assisted transportation... \$	-		
Case management.....	33,263		
Transportation.....	528,128		
Information and assistance	54,000		
Outreach.....	34,948		

Total access expenses..		\$ 650,339	147.84%

In-home (304): Homemaker.....	56,782		
Chore.....	7,283		
Telephoning.....	9,464		
Visiting.....	-		
Adult/daycare/health.....	-		
Personal care.....	-		

Total in-home expenses..		73,448	17.30%

Legal (304): Legal assistance.....		21,696	5.12%

Non-priority services.....		84,054	

Total III-B - supportive services expenditures.....		804,527	
Less: Participant contributions.....		-	
Other public support.....		-	
Transfers in.....		(240,000)	

Title III-B - supportive services grant.		564,436	
Less: Transfers of contract allotments..		-	
State homemaker.....		-	
State transportation.....		(140,400)	

Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments....		\$ 423,831	

CAPITAL AREA AGENCY ON BEHALF - DISTRICT II, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL MONIES
FOR THE YEAR ENDED JUNE 30, 1958

FEDERAL MONIES THROUGH QUARTERPROGRAM TITLE	FEDERAL TYPE MONIES	TOTAL FEDERAL EXPENDITURES	STATE EXPENDITURES	APPROPRIATION AMOUNT IN ACTS, INC.	APPROPRIATION AMOUNT IN ACTS, INC.	CAPITAL AND LEASE EXPENSES, INC.
Department of Health and Human Services						
Passed through the Legislative Committee's Office of Public Affairs:						
Special Program for the Aging						
Title III-B Supportive Services.....	\$1,000	\$ 200,000	\$ 20,000	\$ 20,000	\$ 20,000	\$0,000
Title III-C Sub-Federal Services.....	\$1,000	500,000	200,000	20,000	20,000	-
Title III-D In-home Services.....	\$1,000	7,000	-	7,000	7,000	-
Title III Part I - Homebound Elderly and Health Promotion Services.....	\$1,000	71,000	0,000	7,000	7,000	-
Department of Agriculture						
Passed through the Legislative Committee's Office of Public Affairs:						
Section 4 - Distribution of commodities.....	\$0,000	200,000	200,000	-	-	-
		\$ 1,201,000	\$ 271,000	\$ 47,000	\$ 47,000	\$0,000

Note A: Schedule prepared using modified accrual basis of accounting.

PAID TO SUBSIDIARIES

1958	1957	1956	1955	1954	1953	1952	1951	1950
WILLIAMS	BRIDGEMAN	STARR	W. WILSON	WHELAN	WINDHAM	WINDHAM	WINDHAM	WINDHAM
COUNCIL ON	COUNCIL ON	COUNCIL ON	COUNCIL ON	OFFICE	COUNCIL ON	COUNCIL ON	COUNCIL ON	COUNCIL ON
ACORN, INC.	ACORN, INC.	ACORN, INC.	ACORN, INC.	COMP.	ACORN, INC.	ACORN, INC.	ACORN, INC.	ACORN, INC.

\$ 25,457	\$ 24,778	\$ 25,073	\$ 25,750	\$ 8,202	\$ 75,127	\$ 75,061	\$ 74,777	\$ 75,778
75,279	82,207	82,500	75,000	-	75,243	75,244	74,777	74,289
7,264	7,091	7,427	800	-	7,400	7,400	800	800
1,000	3,000	1,000	800	-	3,400	3,400	700	1,100

\$ 27,900	\$ 27,083	\$ 27,500	\$ 24,950	\$ 8,202	\$ 67,181	\$ 70,461	\$ 71,000	\$ 72,181
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING ISSUED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors

Capital Area Agency on Aging - District II, Inc.

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 1998, and have issued our report thereon dated October 9, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Capital Area Agency on Aging - District II, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

continued...

This report is intended for the information of the management and board of Capital Area Agency on Aging - District II, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs.

L. A. Chapman & Co., LLP.

October 9, 1998

L.A. CHAMPAGNE & CO., L.P.

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101-97-004280

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH ONE CIRCULAR A-133

The Board of Directors,
Capital Area Agency on Aging - District II, Inc.

Compliance

We have audited the compliance of Capital Area Agency on Aging - District II, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. Capital Area Agency on Aging - District II, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the management of Capital Area Agency on Aging - District II, Inc. Our responsibility is to express an opinion on Capital Area Agency on Aging - District II, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Capital Area Agency on Aging - District II, Inc.'s compliance with these requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Capital Area Agency on Aging - District II, Inc.'s compliance with these requirements.

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

The management of Capital Area Agency on Aging - District II, Inc. is responsible for establishing and maintaining effective internal control

Continued...

over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Capital Area Agency on Aging - District 11, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAO circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the management and board of Capital Area Agency on Aging - District 11, Inc., the Legislative Auditor, and the Governor's Office of Elderly Affairs.


October 9, 1990

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1994

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Capital Area Agency on Aging - District II, Inc.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards."
3. No instances of noncompliance material to the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc. are reported in Part C of this schedule.
7. The program tested as a major program is as follows:
Special Programs for the Aging:
Title 112-B - Supportive Services; CFDA #93.044
8. The threshold for distinguishing Types A and B programs was \$380,000.
9. Capital Area Agency on Aging - District II, Inc. was determined to be a low-risk auditee.

B: FINDINGS - FINANCIAL STATEMENTS AUDIT

There were no findings that are required to be reported in this section of the report.

C: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAM AUDIT

There are no findings that are required to be reported in this section of the report.