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Financial Report
St. Tammany Council on the Aging, Inc.
Bovington, Louisiana
June 30, 1966

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Release Date ~~DEC 1 6 1966~~

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St. Tammany Council on the Aging, Inc.
Covington, Louisiana

June 30, 1988

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
St. Tammany Council on the Aging, Inc.,
Covington, Louisiana.

I have audited the accompanying general purpose financial statements of the St. Tammany Council on the Aging, Inc., Covington, Louisiana, as of and for the year ended June 30, 1988, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the St. Tammany Council on the Aging, Inc., Covington, Louisiana, as of June 30, 1988, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report (see page 3) dated August 12, 1988, on my consideration of the St. Tammany Council on the Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of the St. Tammany Council on the Aging, Inc., Covington, Louisiana, taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-128, Schedule of Expenditures of Federal Awards, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Neil B. Ferroni, CPA

Baton Rouge, Louisiana,
August 12, 1988.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors,
St. Tammany Council on the Aging, Inc.,
Covington, Louisiana.

I have audited the general purpose financial statements of the St. Tammany Council on the Aging, Inc., Covington, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated August 12, 1998. I conducted my 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 the St. Tammany Council on the Aging, Inc.'s general purpose financial statements are free of material misstatement, I 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 those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, I noted certain immaterial instances of noncompliance that I have reported to the Board of Directors of the St. Tammany Council on the Aging, Inc. in a separate letter dated August 12, 1998.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. Tammany Council on the Aging, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect St. Tammany Council on the Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not consider reportable condition 98-1 referred to above to be a material weakness. I also noted other matters involving the internal control over financial reporting that I have reported to the board of directors of the St. Tammany Council on the Aging, Inc. in a separate letter dated August 12, 1990.

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

Neil B. Fanni, CPA

Baton Rouge, Louisiana.
August 12, 1990.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors,
St. Tammany Council on the Aging, Inc.
Covington, Louisiana.

Compliance

I have audited the compliance of the St. Tammany Council on the Aging, Inc., Covington, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Requirements that are applicable to each of its major federal programs for the year ended June 30, 1988. The St. Tammany Council on the Aging, 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 St. Tammany Council on the Aging, Inc.'s management. My responsibility is to express an opinion on the St. Tammany Council on the Aging, Inc.'s compliance based on my audit.

I conducted my 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, Standards of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I 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 the St. Tammany Council on the Aging, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the St. Tammany Council on the Aging, Inc.'s compliance with those requirements.

In my opinion, the St. Tammany Council on the Aging, 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, 1988.

Internal Control Over Compliance

The management of the St. Tammany Council on the Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the St. Tammany Council on the Aging, 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 my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

I noted a matter involving the internal control over compliance and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in my judgment, could adversely affect the St. Tammany Council on the Aging, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 88-1.

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. My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not consider reportable condition 88-1 referred to above to be a material weakness.

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

Vic B. Ferraro, CPA

Baton Rouge, Louisiana,
August 12, 1988.

CONDENSED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

June 30, 1988

With comparative totals for the Year ended June 30, 1987

| | Governmental Fund Types | | Business Groups | | Totals | |
|---|----------------------------|--------------------|------------------|------------------------------|------------------|------------------|
| | General | Special Revenue | Fixed Assets | General Long-Term Debt | Totals | |
| | | | | | 1988 | 1987 |
| ASSETS AND OTHER DEBITS | | | | | | |
| Assets: | | | | | | |
| Cash | \$ 886 | \$ 28,313 | \$ - | \$ - | \$ 29,200 | \$ 29,200 |
| Investments, at cost | 53,904 | 34,499 | - | - | 88,403 | 88,338 |
| Governmental grants receivable | - | 9,134 | - | - | 9,134 | 20,818 |
| Business receivable | 1,073 | 1,138 | - | - | 2,211 | 3,803 |
| Due from special Revenue Fund | - | - | - | - | - | 3,443 |
| Mutual funds receivable | 100 | - | - | - | 100 | - |
| Restricted assets: | | | | | | |
| Cash | - | 1,493 | - | - | 1,493 | 788 |
| Vehicle purchase deposit | 9,580 | - | - | - | 9,580 | 11,978 |
| Investments, at cost | 41,943 | - | - | - | 41,943 | 40,344 |
| Fixed assets | - | - | 324,513 | - | 324,513 | 323,803 |
| Other debits | - | - | - | - | - | - |
| Amount to be provided to retire long-term debt | - | - | - | 5,587 | 5,587 | 5,378 |
| Total assets | \$106,366 | \$ 71,408 | \$324,513 | \$ 5,587 | \$507,888 | \$523,515 |
| LIABILITIES, FUND EQUITY, AND OTHER CREDITS | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 5,088 | \$ 138 | \$ - | \$ - | \$ 5,227 | \$ - |
| Accrued salaries and wages | - | 39,955 | - | - | 39,955 | 39,889 |
| Accrued payroll taxes | - | 2,480 | - | - | 2,480 | 2,818 |
| Accrued interest | - | 2,824 | - | - | 2,824 | 1,459 |
| State payroll tax withholding Due to General Fund | 376 | - | - | - | 376 | 583 |
| Advances from funding agencies | - | - | - | - | - | 3,443 |
| Accumulated unpaid vacation | - | - | - | 5,587 | 5,587 | 5,378 |
| Total liabilities | 5,464 | 28,428 | - | 5,587 | 38,229 | 28,824 |
| Fund Equity and Other Credits: | | | | | | |
| Fund Balances: | | | | | | |
| Reserved for: | | | | | | |
| Building acquisition | - | 1,493 | - | - | 1,493 | 546 |
| Vehicle acquisition | 9,580 | - | - | - | 9,580 | 41,492 |
| Building acquisition | 27,833 | - | - | - | 27,833 | 20,778 |
| Encumbered - undesignated | 68,699 | 68,296 | - | - | 136,995 | 185,718 |
| Investment in general fixed assets | - | - | 324,513 | - | 324,513 | 323,803 |
| Total fund equity and other credits | 100,813 | 69,793 | 324,513 | - | 432,148 | 489,553 |
| Total liabilities, fund equity and other credits | \$106,366 | \$ 71,408 | \$324,513 | \$ 5,587 | \$507,888 | \$523,515 |

The accompanying notes are an integral part of this statement.

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

St. Vannoy Council on the Aging, Inc.
Dorchester, Louisiana

For the year ended June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

| | General | Special Revenue | Totals | |
|--|------------------|--------------------|------------------|------------------|
| | | | 1998 | 1997 |
| REVENUES | | | | |
| Amalgamated | \$ 24,448 | \$405,890 | \$403,719 | \$424,288 |
| Public support | 1,000 | 26,270 | 31,078 | 30,311 |
| Fund gains | 8,843 | " | 8,843 | 28,209 |
| Interest income | 4,781 | " | 4,781 | 6,118 |
| Program service fees | 2,120 | " | 2,120 | 4,740 |
| Miscellaneous | 800 | " | 800 | 123 |
| In-kind contributions | " | " | " | 1,515 |
| Total revenues | <u>\$2,892</u> | <u>\$525,448</u> | <u>\$528,420</u> | <u>\$524,382</u> |
| EXPENDITURES | | | | |
| Salaries | 84 | 222,125 | 222,219 | 222,288 |
| Fringe | 73 | 28,544 | 28,828 | 18,187 |
| Taxes | 3 | 22,120 | 22,723 | 17,459 |
| Operating services | 11,843 | 185,593 | 117,525 | 124,821 |
| Operating supplies | 1,351 | 26,588 | 17,544 | 13,823 |
| Other costs | 5,825 | 11,746 | 17,312 | 28,288 |
| Health | " | 343,282 | 142,382 | 141,713 |
| Full service | " | 87,203 | 43,683 | 40,843 |
| Capital outlay | 22,184 | " | 22,184 | 3,208 |
| Utility assistance | " | 4,888 | 4,444 | 6,958 |
| Fund raising | 194 | " | 194 | 28,413 |
| Interest | 1,529 | " | 1,529 | " |
| In-kind expense | " | " | " | 1,515 |
| Total expenditures | <u>\$2,298</u> | <u>\$612,120</u> | <u>\$676,328</u> | <u>\$648,027</u> |
| Balance of revenues over (under) expenditures | 17,598 | (136,672) | (147,908) | (123,645) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Specializing transfers in | " | 140,728 | 140,728 | 157,418 |
| Specializing transfers out | (128,000) | (131,750) | (140,728) | (187,418) |
| Proceeds from sale of fixed assets | " | " | " | 6,800 |
| Balance of revenues and other sources over (under) expenditures and other uses | 115,417 | (7,624) | (115,000) | (103,705) |
| FUND BALANCES | | | | |
| Beginning of year | <u>122,278</u> | <u>54,298</u> | <u>166,310</u> | <u>177,482</u> |
| End of year | <u>\$280,813</u> | <u>\$ 46,727</u> | <u>\$147,428</u> | <u>\$168,738</u> |

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUREAU OF AGING, 1955; AND ACTUAL - GENERAL FUND

St. Bernard Council on the Aging, Inc.
 Covington, Louisiana

For the year ended June 30, 1956

| | Budget | Actual | Excess- Favorable Unfavorable |
|--|---------------|---------------|-------------------------------------|
| REVENUES | | | |
| Intra-governmental | \$ 24,000 | \$ 24,000 | \$ - |
| Public support | 1,750 | 1,000 | (750) |
| Fund raising | 8,743 | 8,800 | 56 |
| Interest income | 1,070 | 8,781 | 4,709 |
| Program service fees | 2,296 | 2,120 | (176) |
| Miscellaneous | 600 | 600 | - |
| Total revenues | <u>30,359</u> | <u>45,201</u> | <u>14,842</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Salaries | 947 | 86 | 861 |
| Fringe | 255 | 71 | 164 |
| Travel | 100 | 3 | 100 |
| Operating services | 8,664 | 11,940 | (3,276) |
| Operating supplies | 1,600 | 1,351 | 249 |
| Other costs | 2,278 | 2,400 | (122) |
| Books | - | - | - |
| Capital outlay | 12,500 | 22,596 | (10,096) |
| Fund raising | - | 394 | (394) |
| Interest expense | - | 1,800 | (1,800) |
| Total expenditures | <u>30,384</u> | <u>43,376</u> | <u>(3,092)</u> |
| Excess of revenues over (under) expenditures | 25,641 | 27,590 | 18,051 |
| OTHER FINANCING SOURCES - FUNDS | | | |
| Operating transfers in | - | - | - |
| Operating transfers out | (12,643) | (25,800) | (13,157) |
| Excess of transfers and other sources over (under) expenditures and other uses | 2,998 | (25,800) | \$ (22,802) |
| FUND BALANCE | | | |
| Beginning of year | 112,300 | 112,300 | |
| End of year | \$124,320 | \$200,813 | |

The accompanying notes are an integral part of this statement.

**EQUIPMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (ASAP) BUDGET AND ACTUAL - SPECIAL REVENUE FUND**

St. Tammany Council on the Aging, Inc.
Bovington, Louisiana

For the year ended June 30, 2018

| | <u>Budget</u> | <u>Actual</u> | Variance- Favorable |
|--|------------------|------------------|------------------------|
| | | | <u>(Unfavorable)</u> |
| REVENUES | | | |
| Intergovernmental | 500,000 | \$ 500,070 | \$ (0,000) |
| Fellow support | 20,070 | 20,070 | - |
| Interest income | 1,000 | - | 1,000 |
| Program service fees | - | - | - |
| Total revenues | <u>521,070</u> | <u>520,140</u> | <u>930</u> |
| EXPENDITURES | | | |
| Personnel | | | |
| Salaries | 220,000 | 220,100 | 1,000 |
| Fringe | 20,000 | 18,000 | 2,000 |
| Tenure | 20,000 | 20,070 | (-) |
| Operating services | 100,000 | 100,000 | - |
| Operating supplies | 10,000 | 10,000 | - |
| Office costs | 7,000 | 11,000 | 4,000 |
| Heat | 100,000 | 100,000 | - |
| Capital outlay | 20,000 | 20,000 | - |
| Utility maintenance | 5,000 | 4,000 | 1,000 |
| Full service | 60,000 | 60,000 | - |
| Total expenditures | <u>622,000</u> | <u>622,170</u> | <u>170</u> |
| Excess of revenues over (under) expenditures | <u>(10,930)</u> | <u>(10,030)</u> | <u>900</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 100,000 | 100,000 | - |
| Operating transfers out | (100,000) | (100,000) | - |
| Excess of revenues and other sources over (under) expenditures and other uses | <u>0</u> | <u>(0)</u> | <u>0</u> |
| FUND BALANCE | | | |
| Beginning of year | <u>50,000</u> | <u>50,000</u> | |
| End of year | <u>\$ 50,000</u> | <u>\$ 50,000</u> | |

NOTES TO FINANCIAL STATEMENTS

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

June 30, 1960

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 458 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The St. Tammany Council on the Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of the St. Tammany Council on the Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and assistance services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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

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

b. Presentation of Statements:

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

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

c. Fund Accounting:

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

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various

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

a. Fund Accounting: - (continued)

funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

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

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

• General Fund

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

The following programs comprise the Council's General Fund:

Local

Revenues, such as, (1) donations from the general public, (2) program service revenue from reading Medic Alert units, and (3) interest income earned on idle funds which have been invested, have been recorded in the local program of the General Fund. Expenses incurred which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures. Also, expenses incurred to produce related program service fees are charged as local program expenditures.

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

c. Fund Accounting: - (continued)

▪ General Fund - (continued)

Senior Center Activities

The Council operates senior centers in Slidell, Lacoste, Covington, Mandeville, and Pearl River. The participants at each of these centers solicit public support through activities to help offset the cost of operating these centers as well as to raise funds for activities that are not paid for through the primary grant for senior centers from the Governor's office of Elderly Affairs. The types of activities used to raise these funds consist of craft sales, raffles, dances, and refreshment sales. There is no restriction on how the net proceeds of these activities are used. In addition, the participants at the Slidell senior center have solicited from the public and conducted activities to raise money for the purpose of building, furnishing, and providing some operating funds for their senior center facility. The net proceeds from this activity have been presented as a restricted asset on the Council's balance sheet with a corresponding reservation of the fund balance. The revenues and related expenses for each center are maintained in separate accounts within the Council's general ledger.

Medicaid Enrollment and Case Management

This is a program where the Council completed enrollment applications for people wanting to apply for Medicaid services. The Council is paid \$14 per application if completed by the Department of Health and Hospitals(DHH). Any funds remaining after applying direct costs to operate this program are available for discretionary use by management.

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

e. Fund Accounting: - (continued)

• General Fund - (continued)

Medicaid Enrollment and Case Management
(continued)

The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

FOCA

FOCA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old. In fiscal year 1998, the Council transferred the FOCA funds to other programs to help provide additional funds to meet program costs.

VAN

The Van program is used to primarily account for the money which is generated through fund raising programs. The donors have given this money to the Council based on the premise that it will be used to purchase new vehicles. The Council did not sponsor any major fund raising event this year. However, it did receive \$11,000 from the St. Tammany Parish Police Jury to help pay for van purchases.

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

c. Fund Accounting: - (continued)

* Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

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

Title III B - Ombudsman Fund

The Title III B Ombudsman Fund is used to account for funds used to provide long-term care residents age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to receive complaints by residents with the management of the long-term care facility, and to promote quality care at the facility.

Title III B Supportive Services Fund

The Title III B Supportive Services Fund is used to account for funds which are to provide a variety of services, such as: information and assistance, access services, in-home services, community services, legal assistance, and transportation for people age 60 and older.

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

e. Fund Accounting: - (continued)

▪ Special Revenue Funds - (continued)

Title III C Area Agency Administration (AAA) Fund

The Title III C Area Agency Administration Fund (AAA) is used to account for some of the administrative costs of operating the Special Programs for the Aging. These funds are used to help pay for some of the administrative costs associated with operating the Title III and Senior Center programs.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the year the Council served 35,187 meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. During the year the Council served 33,841 meals to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail and elderly persons who are home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

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

c. Fund Accounting: - (continued)

* Special Revenue Funds - (continued)

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities. The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

Senior Center Fund

The Senior Center Fund is used to account for the administration of senior center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the council. This program provides the primary funding for a community service center in Slidell, Louisiana, at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. Senior Center funds are also transferred to the Title III E fund to help pay for the cost of providing supportive services to people who use the senior center.

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

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider about 50 cents for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Audit Fund

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

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. St. Tammany Council on the Aging, Inc. was one of the parish councils to receive a special grant of \$4,000. The governor's Office of Elderly Affairs provided these funds to the Council. The Council used these funds to supplement Title III B Supportive Services programs this year.

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

c. Fund Accounting: - (continued)

▪ Special Revenue Funds - (continued)

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The purpose of this program is to help the needy, elderly people of the parish pay utility bills. Louisiana Power and Light (LPL&L), Louisiana Gas Services, and CL&D collect contributions from service customers and send the donations to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to St. Tammany Parish to the Council. Washington St. Tammany Electric (WST) will remit donations it collects directly to the Council.

PTA Fund

The PTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under the elderly and disabled persons Transportation capital assistance program. The Louisiana Department of Transportation and Development (DOTD) coordinates the receipt and disbursement of the PTA funds and the required matching funds from the Council. The Council acquired one van under this program during the fiscal year. The council has entered into two contracts with the Louisiana DOTD to acquire two new vans in fiscal year 1989.

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

d. Account Groups:

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

General Fixed Assets

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

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations.

e. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds, including the General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

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

e. Basis of Accounting: - (continued)

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, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

f. Transfers and Interfund Loans:

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

g. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award.
- The Council may also obtain grants from agencies other than GOEA and the Council's management considers the potential revenues to be earned under these grants.
- Projections are made of public support, program service fees, and other revenues based on past trends and data available to form expectations of future revenues.

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

g. Budget Policy: - (continued)

- The Council's executive director prepares a proposed budget based on the funding levels provided by SARA and other agencies, as well as the expected amounts of other revenues, and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs (GOEA) for final approval.
- Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date when the budgetary appropriations will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the fiscal year which was effective May 31, 1998. The budget amendment was approved by the Council's Board of Directors and GOEA using a similar procedure as the approval of the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

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

g. Budget Policies - (continued)

- The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, OEA requires the Council to amend its Budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities are not budgeted, particularly if they are deemed to be immaterial by management.

h. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

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

1. Comparative Data:

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

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

2. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of June 30, 1999. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any accrued portion.

3. Related Party Transactions:

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

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

1. Restricted Assets:

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

In addition to these restricted assets, there is another restricted asset relating to a deposit (\$9,880) made this year to purchase a vehicle under an FFR contract. This deposit represents the Council's share of matching funds.

Some of the restricted assets are invested in certificates of deposit because the cash is not needed to meet immediate needs.

a. Reservation and Designations of Fund Balances:

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

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner. There were not any designated fund balances as of June 30, 1998.

b. Management's Use of Estimates:

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

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

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

Note 3 - Cash and Investments

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

Cash and investments are reported at carrying amount which closely approximates their fair values. The carrying amount of the Council's cash (demand deposits) and investments (certificates of deposit) at June 30, 1998 was \$155,274 whereas the related bank balances totaled \$294,071. The difference in these amounts relates to checks written on demand deposit accounts which have not yet cleared the bank accounts. All bank balances were covered by federal depository insurance (Category II).

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

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

Note 3 - Cash and Investments - (continued)

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

The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash needs.

At June 30, 1990, investments consisted of the following:

| <u>Bank</u> | <u>Type of Investment</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Maturity</u> |
|---|---------------------------|-----------------|----------------------|-----------------|
| Regions | C.D. | \$ 23,000 | 4.40% | 05-19-90 |
| Regions | C.D. | 10,100 | 4.40% | 10-22-90 |
| Regions | C.D. | 28,410 | 4.40% | 10-06-90 |
| St. Tammany Homestead | C.D. | 34,498 | 5.10% | 05-10-90 |
| St. Tammany Homestead | C.D. | 40,055 | 5.10% | 06-12-90 |
| Hibernia National Bank | C.D. | 8,700 | 4.50% | 04-13-90 |
| St. Tammany Homestead | Facebook savings | <u>4,021</u> | 3.00% | Openend |
| Total investments | | \$128,445 | | |
| Reserved for: | | | | |
| Vehicle acquisition | | (18,410) | | |
| Siddell Senior Center Building | | <u>(22,822)</u> | | |
| Unreserved and un-designated investments | | \$ 88,403 | | |

Note 3 - Cash and Investments - (continued)

The above investments have been recorded at cost, which approximates market value. The market values of the certificates of deposit and savings account do not fluctuate. All of the above investments are classified as category 1 type investments according to GSNB statement 3 because they were fully covered by Federal depository insurance.

Note 4 - Government Grants Receivable

Government grants receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end.

Government grants receivable at June 30, 1998, consisted of the following:

| Program | Fund | Funding Source | Amount |
|----------|-----------------|----------------|----------|
| D.E.D.A. | Special Revenue | 608K | \$ 8,328 |

Note 5 - Changes in Fixed Assets

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

| | Balance 82-81-82 | Additions | Deletions | Balance 85-20-88 |
|------------------------------------|---------------------|-----------|-------------|---------------------|
| Vehicles | \$27,482 | \$ 44,920 | \$ (40,100) | \$ 32,302 |
| Office furniture and equipment | 42,320 | 8,000 | (2,761) | 47,559 |
| Computer equipment and software | 27,796 | - | - | 27,796 |
| Recreation equipment | 8,422 | 920 | - | 9,342 |
| Building improvements | 12,382 | - | - | 12,382 |
| Musical equipment | 8,272 | - | - | 8,272 |
| Health maintenance equipment | 2,622 | - | - | 2,622 |
| Total general fixed assets | \$127,822 | \$ 55,840 | \$ (42,861) | \$ 140,801 |

Donated assets represent \$13,933 of the year end total.

Note 4 - Advances from Funding Agencies

This account represents funds received in excess of allowable expenditures, that are to be returned to the funding agency. As of year end there were no advances from funding agencies.

Note 7 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, Board members are reimbursed in accordance with the State of Louisiana's travel reimbursement policy when attending meetings on behalf of the Council.

Note 8 - In-kind contributions

The Council received various in-kind contributions during the year. Senior center or meal site facilities were furnished in Mandeville, LaCrosse, Pearl River, and Covington to the Council without charge for rent. The Midell Senior center is furnished by the City of Midell for an annual cost of \$1 per year for rent plus utility charges. Utilities are furnished at the Mandeville site for free, while at Pearl River the Council is responsible for one half of the utility bill. Other in-kind contributions consisted of the time donated by volunteer workers to help with home delivered meals and to assist at senior centers and meal sites. The Council also received contributions of some small items of furniture and equipment, none of which were worth more than \$200 individually. These contributions, the value of which was not objectively compiled and determined, have not been reported as revenues or offsetting expenses in these financial statements.

Note 9 - Income Tax Status

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

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 93-48, 1993-2 C.B. 418.

Note 10 - Lease Commitments

The Council entered into a lease of the building that houses its main office at 328 East Barton Street, Covington, Louisiana on July 23, 1988. The terms of this lease require monthly payments of \$428 for twenty years. The Council is responsible for utilities, normal repairs and maintenance, and liability insurance. There is an escape clause that allows the Council to break the lease commitment should it lose its funding from the federal and state governments.

On July 26, 1988, the Council entered into a 20 year lease with the City of Slidell whereby the Council will rent from the City for \$1.00 per year a building referred to as the Slidell Senior Citizens Center at 618 Cecelia Street, Slidell, LA. The Council has the right to renew this lease for 10 additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The city will be responsible for any repairs requiring labor and material of \$500 or more. The Council is responsible for normal operating costs, including water, telephone, utility, janitorial, and minor repair costs. The city will provide property and liability insurance.

Total building rent expense for the year was \$5,193.

On March 13, 1996, the Council entered into a lease for a photo copy machine. Terms of the lease require 12 monthly payments of \$37.44 beginning March 13, 1996. The Council made 12 payments on this lease during fiscal year 1996.

Note 11 - General Long-Term Debt

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

| | Balance | Net | Balance |
|--------------------|----------|-------------|----------|
| | 07-21-92 | Additions | 06-30-98 |
| | | (Deletions) | |
| Accumulated unpaid | | | |
| votation | \$ 6,175 | \$ (588) | \$ 5,587 |
| Total long-term | | | |
| debt | \$ 6,175 | \$ (588) | \$ 5,587 |

Note 12 - Judgments, Claims, and Similar Contingencies

There is no litigation pending against the Council as of June 30, 1998. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance or resolved without any material impact upon the Council's financial statements.

Note 13 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any significant disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs that would adversely affect the Council's financial position. Any costs that would be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 14 - Economic Dependency

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

Note 15 - Risk Management

The Council is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Council has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. No settlements were made during the fiscal year that exceeded the Council's insurance coverage.

NOTE 16 - Purchase Commitments

The Council has entered into two agreements with the Louisiana Department of Transportation and Development (DOTD) to purchase two new vans. The Council is responsible for matching 30% - 30% of the purchase price of each van. The Council has not yet remitted the required matching funds (\$6,600) on one of the contracts but has had its bank issue an irrevocable letter of credit in favor of DOTD for the matching amount. The Council has remitted its matching funds (\$9,360) on the other contract as of June 30, 1998. Both vans are expected to be delivered in fiscal year 1999.

NOTE 17 - Interfund Transfers

Operating transfers in and out are listed by fund for 1998:

| Transfers Out | Transfers In | | | Total |
|-------------------------|-----------------|-----------------|------------------|------------------|
| | Title 111-B | Title 111-C1 | Title 111-C2 | |
| General Funds | | | | |
| PROP. | \$ 7,380 | \$ - | \$ 14,280 | \$ 21,660 |
| LOCAL | 2,388 | - | - | 2,388 |
| Total General | 28,288 | - | 14,280 | 28,892 |
| Fund | | | | |
| Special Revenues | | | | |
| Miscellaneous Street | 4,600 | - | - | 4,600 |
| SEDA | - | 4,444 | 16,170 | 20,834 |
| Senior Center | 52,821 | - | - | 52,821 |
| Title 111-C1 | - | - | 18,368 | 18,368 |
| Total Special | 57,421 | 4,444 | 16,338 | 78,203 |
| Reserve Fund | | | | |
| Total transfers | \$71,777 | \$ 4,444 | \$ 30,718 | \$107,000 |

SUPPLEMENTARY FINANCIAL INFORMATION

**SCHEDULE OF PROGRAMMING REVENUE, EXPENSES, NET ASSETS AND OTHER BALANCE – GENERAL FUND
OF TARRANT COUNTY, CHRISTIAN AGENCY, INC.
For the year ended June 30, 2018**

| | Programs of the General Fund | | | | | |
|---|------------------------------|----------------------------|-----------------|-------------------|-----------------|------------------|
| | Local | State Grant Agencies | Multistate | FOIA (Net TRS) | Net | Total |
| REVENUES | | | | | | |
| Intergovernmental: | | | | | | |
| Office of State Affairs | \$ -- | \$ -- | \$ -- | \$ 3,648 | \$ -- | \$ 3,648 |
| St. Tarrant Parish Police Jury | -- | -- | -- | -- | 33,000 | 33,000 |
| Contributions | 4,410 | 5,600 | -- | -- | 3,740 | 13,750 |
| Public support: | | | | | | |
| Unrestricted donations | 3,083 | 2,818 | -- | -- | -- | 5,901 |
| Restricted donations | -- | 2,800 | -- | -- | -- | 2,800 |
| Fund balance: | | | | | | |
| Income | -- | 2,794 | -- | 0 | -- | 2,794 |
| Rentals | -- | 1,800 | -- | -- | -- | 1,800 |
| Refundation rates | -- | 3,718 | -- | -- | -- | 3,718 |
| Grant sales | -- | 175 | -- | -- | -- | 175 |
| County share | -- | -- | -- | -- | 100 | 100 |
| Provision for state fund: | | | | | | |
| Direct - health & hospital | -- | -- | 3,490 | -- | -- | 3,490 |
| Multi-plant assets | 1,004 | -- | -- | -- | -- | 1,004 |
| Miscellaneous: | | | | | | |
| Family trust | -- | 76 | -- | -- | -- | 76 |
| Intergovernmental | 100 | -- | -- | -- | -- | 100 |
| Total revenues | 10,010 | 14,997 | 3,490 | 31,648 | 34,800 | 85,005 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Salaries | -- | -- | 89 | -- | -- | 89 |
| Printing | 62 | -- | 9 | -- | -- | 71 |
| Taxes | -- | -- | 3 | -- | -- | 3 |
| Operating services | 266 | 10,888 | 20 | -- | 811 | 11,985 |
| Operating supplies | 290 | 1,471 | -- | -- | -- | 1,761 |
| Other costs | 1,414 | 4,881 | -- | -- | -- | 6,295 |
| Meals | -- | -- | -- | -- | -- | -- |
| Fund raising | -- | -- | -- | -- | 784 | 784 |
| Capital outlay | 4,000 | 100 | -- | -- | 30,976 | 35,076 |
| Interest | 1,350 | -- | -- | -- | -- | 1,350 |
| Total expenditures | 8,384 | 11,471 | 120 | -- | 31,831 | 49,806 |
| Excess of revenues over (under) expenditures | (110) | (2,000) | 1,370 | 31,648 | (3,031) | 37,000 |
| OTHER FINANCIAL SOURCES-USES | | | | | | |
| Operating transfers in | -- | -- | -- | -- | -- | -- |
| Operating transfers out | (2,400) | -- | -- | (21,640) | -- | (24,040) |
| Excess of revenues and other sources over (under) expenditures and other uses | (2,400) | (2,000) | 1,370 | -- | (21,640) | (24,270) |
| FUND BALANCE (DEFICIT) | | | | | | |
| Beginning of year | \$10,1 | 26,430 | 4,111 | -- | 24,333 | 71,005 |
| End of year | \$ 7,711 | \$ 24,430 | \$ 5,481 | \$ -- | \$ 2,703 | \$ 38,305 |

**SCHEDULE OF PROGRAM BUDGETS - BUDGET VS. ACTUAL - CONTRACTS AND GRANTS,
PROVIDED THROUGH THE GOVERNOR'S OFFICE OF BUDGET AFFAIRS (COBA)**

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

For the year ended June 30, 1998

| | Budget | Actual | Variance- Favorable (Disadvantage) |
|---|------------------|------------------|--|
| FOOD - PCL 120 | | | |
| Transfers to other funds | | | |
| Title III-B Supportive Services | \$ 3,449 | \$ 7,390 | \$ 3,941 |
| Title III-B Delinquent | 0 | - | 0 |
| Title III-F | 0 | - | 0 |
| Title III-CE | 13,912 | 24,241 | 10,329 |
| Title III-D | 0 | - | 0 |
| Totals | \$ 17,361 | \$ 31,631 | \$ 14,270 |
| TITLE III-B-CORRECTION | | | |
| Salaries | \$ 2,824 | \$ 7,366 | \$ 4,542 |
| Fringe | 0 | 0 | 0 |
| Travel | 1,378 | 1,048 | (330) |
| Operating services | 1,489 | 1,891 | (402) |
| Operating supplies | 0 | 0 | 0 |
| Other costs | 0 | 0 | 0 |
| Totals | \$ 5,691 | \$ 10,305 | \$ 4,614 |
| TITLE III-B-SUPPORTIVE SERVICES | | | |
| Salaries | \$102,130 | \$206,014 | \$ 103,884 |
| Fringe | 8,832 | 0,048 | (8,784) |
| Travel | 2,381 | 2,533 | (152) |
| Operating services | 68,836 | 60,876 | 7,960 |
| Operating supplies | 20,863 | 13,372 | 7,491 |
| Other costs | 0 | 843 | (843) |
| Food services | | | |
| Inmate services - The Medical Team | 33,610 | 40,030 | (6,420) |
| Legal Services - Southeast Louisiana | | | |
| Legal Services | 0 | 4,973 | (4,973) |
| Totals | \$193,642 | \$327,877 | \$ 134,235 |
| TITLE III-C - AREA AGENCY ADMINISTRATION | | | |
| Salaries | \$ 21,241 | \$ 21,241 | \$ - |
| Fringe | 1,743 | 1,743 | - |
| Travel | 2,256 | 2,154 | - |
| Operating services | 4,586 | 4,586 | - |
| Operating supplies | 447 | 447 | - |
| Other costs | 0 | 0 | - |
| Totals | \$ 29,973 | \$ 29,971 | \$ 2 |

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL - CONTRACTS AND GRANTS
PROVIDING FEDERAL FINANCING TO STATES BY BUREAU OFFICE**

St. Tammany Parish on the Agency, Inc.
Bovington, Louisiana

For the year ended June 30, 1976

| | Budget | Actual | Variance Favorable (Disfavorable) |
|----------------------|------------------|------------------|---|
| TITLE III-C-1 | | | |
| Salaries | \$ 22,573 | \$ 22,500 | \$ 73 |
| Fringe | 3,934 | 3,888 | 46 |
| Travel | 3,843 | 3,538 | 305 |
| operating services | 9,128 | 9,287 | (159) |
| operating supplies | 3,428 | 3,280 | 148 |
| Other costs | 478 | 478 | - |
| Meals: | | | |
| See Item | 12,843 | 12,431 | 412 |
| Laboratory-utilities | 31,538 | 35,380 | (3,842) |
| Transfers out to: | | | |
| Title III C-3 | - | 32,388 | (32,388) |
| Totals | \$122,511 | \$122,512 | \$1,001 |
| TITLE III-C-2 | | | |
| Salaries | \$ 22,000 | \$ 22,218 | \$ 218 |
| Fringe | 4,616 | 4,463 | 153 |
| Travel | 15,289 | 22,790 | (7,501) |
| operating services | 14,139 | 21,419 | 7,280 |
| operating supplies | 2,081 | 2,508 | (427) |
| Other costs | 681 | 675 | 6 |
| Meals: | | | |
| See Item | 48,166 | 36,170 | 11,996 |
| Laboratory-utilities | 38,688 | 37,381 | 1,307 |
| Totals | \$163,340 | \$169,276 | \$ 5,936 |
| TITLE III-D | | | |
| Salaries | \$ 2,755 | \$ 2,708 | \$ 47 |
| Fringe | 283 | 197 | 86 |
| Travel | 310 | 78 | 232 |
| operating services | 2,824 | 2,215 | 609 |
| operating supplies | 25 | 37 | (12) |
| Other costs | 20 | 38 | (18) |
| Totals | \$ 4,367 | \$ 4,705 | \$ 338 |

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL - CONTRACTS AND GRANTS
FUNDED THROUGH THE GOVERNOR'S OFFICE OF EQUAL OPPORTUNITY**

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

For the year ended June 30, 1998

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|--|------------------|------------------|---|
| TITLE III-B | | | |
| Salaries | \$ 3,504 | \$ 3,504 | \$ - |
| Fringe | 131 | 68 | 68 |
| Travel | 109 | 58 | 51 |
| Operating services | 232 | 205 | 27 |
| Operating supplies | 2 | 58 | (14) |
| Full Services | | | |
| Medicare contract with East Baton Rouge COA | 3,883 | 3,883 | - |
| Totals | \$ 5,901 | \$ 5,833 | \$ 68 |
| REGIONS CENTER - BUREAU | | | |
| Salaries | \$ 18,381 | \$ 18,849 | \$ 3,588 |
| Fringe | 5,444 | 1,402 | 41 |
| Travel | - | - | - |
| Operating services | 6,522 | 7,283 | (791) |
| Operating supplies | 60 | 274 | (124) |
| Other costs | - | - | - |
| Transfers to: Title III-B | 32,281 | 32,281 | (3281) |
| Totals | \$ 72,688 | \$ 77,879 | \$ - |
| E.O.O.P. | | | |
| Transfers to Title III C-1 | \$ - | \$ 8,888 | \$ (8,888) |
| Transfers to Title III C-2 | 42,500 | 36,170 | 12,329 |
| Totals | \$ 42,500 | \$ 44,958 | \$ 2,732 |
| REGIO | | | |
| Other costs | \$ 3,167 | \$ 3,167 | \$ - |
| Totals | \$ 3,167 | \$ 3,167 | \$ - |
| MISCELLANEOUS GRANT | | | |
| Transfers to Title III-B | \$ 4,500 | \$ 4,500 | \$ - |
| Totals | \$ 4,500 | \$ 4,500 | \$ - |

**SCHEDULE OF PRIORITY SERVICES -
TITLE III, PART B - GRANT FOR PROTECTIVE SERVICES**

for the year ended June 30, 1988

| | | | % of GRANT TOTAL |
|--|-------------------------------|----------|------------------------|
| Account(s): | Insulated Transportation | \$ - | |
| | Case Management | 437 | |
| | Transportation | 197,433 | |
| | Information & assistance | - | |
| | Outreach | - | |
| | TOTAL account expenses | | 201,867 |
| | | | 23% |
| Income(s): | Rentmaker | 42,000 | |
| | Others | - | |
| | Transporting | - | |
| | Visiting | - | |
| | Adult/daycare/health | - | |
| | Personal care | - | |
| | Total income expenses | | 42,000 |
| | | | 4% |
| Legal(s): | Legal assistance | | 4,873 |
| | | | 5% |
| Non-priority services | | - | 0% |
| Total Title III - Supportive services expenditures | | | 248,740 |
| Less: Participant contributions | | (1,843) | |
| Other public support | | (26,200) | |
| Transfers in | | (71,077) | |
| Title III - Supportive services grant | | | 149,620 |
| Less: Transfers of contract obligations | | - | |
| Other nonmember | | (27,574) | |
| State Transportation | | (10,838) | |
| original grant award with additional state transportation and transportation funds and transfers of contract obligations | | | 111,208 |

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

At: Township Council on the Aging, Inc.
Corvington, Louisiana

For the year ended June 30, 2008

| | Balance June 30, 2007 | DECREASE | INCREASE | Balance June 30, 2008 |
|---|-----------------------------|------------------|--------------------|-----------------------------|
| General fixed assets: | | | | |
| Vehicles | \$227,463 | \$ 44,900 | \$ (48,381) | \$ 218,182 |
| Office furniture and equipment | 41,000 | 5,000 | (2,761) | 43,239 |
| Computer equipment and software | 27,796 | - | - | 27,796 |
| Recreation equipment | 6,423 | 530 | - | 6,250 |
| Building improvements | 13,060 | - | - | 13,380 |
| Electric equipment | 6,273 | - | - | 6,273 |
| Health maintenance equipment | 1,073 | - | - | 1,073 |
| Total general fixed assets | \$323,085 | \$ 50,430 | \$ (48,842) | \$ 324,673 |
| Investment in general fixed assets: | | | | |
| Property acquired with funds from - | | | | |
| ITB | \$174,979 | \$ 27,864 | \$(8,883) | \$ 193,960 |
| Van fund income | 60,488 | 16,976 | 19,298 | 97,762 |
| State allocation funds (Art 135) | 33,047 | - | - | 33,047 |
| General funds and local donations | 18,488 | 1,090 | - | 19,578 |
| Title 111 B | 2,887 | - | 41,449 | 44,336 |
| Title 111 C-1 | 4,370 | - | 1,600 | 5,970 |
| Title 111 D | 838 | - | - | 838 |
| Title 111 F | 1,871 | - | - | 1,871 |
| Title 111 G | 299 | - | - | 299 |
| Miscellaneous grant | 15,576 | - | - | 15,576 |
| Senior Center - Corvington | 32,388 | 518 | - | 32,906 |
| Senior Center - Mandeville | 586 | - | - | 586 |
| Senior Center - Plaquemine | 2,314 | - | - | 2,314 |
| Senior Center - Lakeview | 413 | - | - | 413 |
| Title 88 | 878 | - | 14,023 | 14,901 |
| In-kind donations | 14,383 | - | 14,300 | 28,683 |
| Total investment in general fixed assets | \$323,085 | \$ 50,430 | \$ (48,842) | \$ 324,673 |

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FEDERAL AGENCY: DEPARTMENT OF HEALTH AND HUMAN SERVICES

B. Technical Council on the Aging, Inc.
Baltimore, Maryland

For the year ended June 30, 2010

| FEDERAL AGENCY OR OTHER IDENTIFYING ORIGINATOR TITLE | FEDERAL FUNDS | STATE FUNDS | PROGRAM OR AMOUNT | REVENUE RECEIVED | EXPENDITURES |
|--|---------------|-------------|-------------------|------------------|--------------|
| II. Department of Health and Human Services - Administration on Aging | | | | | |
| Passed through the Recipient's Office of Elderly Affairs | | | | | |
| Special Programs for the Aging - Older: | | | | | |
| Title III Part 2 - Grant for Supportive Services and Senior Centers | \$0,000 | \$0,000 | \$ 0,000 | \$ 0,000 | \$ 0,000 |
| Title III Part 2 - Enforcement | \$0,000 | \$0,000 | 0,000 | 0,000 | 0,000 |
| Federal CFDA #90.044 | | | | | |
| | | | \$0,000 | \$0,000 | \$0,000 |
| Title III Part 2 - Area Agency Administration | | | | | |
| Title III Part 2 - 1 - Supportive Services - Geographic Study | \$0,000 | \$0,000 | \$0,000 | \$0,000 | \$0,000 |
| Title III Part 2 - 2 - Supportive Services - Home Delivered Meals | \$0,000 | \$0,000 | \$0,000 | \$0,000 | \$0,000 |
| Federal CFDA #90.045 | | | | | |
| | | | \$0,000 | \$0,000 | \$0,000 |
| Title III Part 2 - 3 - Supportive Services for Food Bank Institutions | | | | | |
| | \$0,000 | \$0,000 | 0,000 | 0,000 | 0,000 |
| Title III Part 2 - Disease Prevention and Health Promotion Services | | | | | |
| | \$0,000 | \$0,000 | 0,000 | 0,000 | 0,000 |
| Totals for II. Department of Health and Human Services - Administration on Aging | | | | | |
| | | | \$0,000 | \$0,000 | \$0,000 |
| III. Department of Agriculture | | | | | |
| Passed through the Recipient's Office of Elderly Affairs | | | | | |
| Nutrition Programs for the Elderly | | | | | |
| Fy 2009/2010 | \$0,000 | \$0,000 | \$0,000 | \$0,000 | \$0,000 |
| Fy 2010/2011 | \$0,000 | \$0,000 | \$0,000 | \$0,000 | \$0,000 |
| Fy 2011/2012 | \$0,000 | \$0,000 | \$0,000 | \$0,000 | \$0,000 |
| Federal CFDA #16.099 | | | | | |
| | | | \$0,000 | \$0,000 | \$0,000 |
| Totals for III. Department of Agriculture | | | | | |
| | | | \$0,000 | \$0,000 | \$0,000 |

The accompanying notes are an integral part of this schedule.

(C) Amounts reported in more than one column because the revenue under this program may exceed award and cost ceiling. Award ceiling (FFY09-2010) for this year has been reached due to the cost ceiling year.

(D) FY 2011 - If there was still the 2010 fiscal year but not spent under carry over award. Since funds were carried over to FY 2011 and FY 2012 were spent this year. FY 2011 remained unspent and is available to those years. Also, a 2010 award adjustment was made to correct a prior year error in the amount. Instead of \$0.00 carrying amount over into FY 2011 was actually available for carryover.

(E) If 2011 was needed over 2010 for year and continued the year.

STATEMENT OF EXPENDITURES OF FEDERAL FUNDS

B. Tennessee Economic Development, Inc.
 Nashville, Tennessee

For the year ended June 30, 2003

| FEDERAL GRANT PURPOSES - FEDERAL AGENCY/PROGRAM OR ACCOUNT TITLE | FEDERAL CFAA NUMBER | AMOUNT PAID DURING YEAR | PROGRAM OR AGENCY ACCOUNT | FEDERAL FUND NUMBER | FEDERAL CFAA NUMBER |
|--|---------------------|-------------------------|---------------------------|---------------------|---------------------|
| U.S. Department of Transportation | | | | | |
| Passenger/Railroad Louisiana Department of Transportation and Development | | | | | |
| FTA - Section 5305 - Safety and persons with disabilities (heavy rail) capital assistance program (federal project #1A - 02 - 0002) (state project #706 - 02 - 0002) | 15-500 | 50% | \$ 15,000 | \$ | 17,000 |
| FTA - Section 5305 - Safety and persons with disabilities (heavy rail) capital assistance program (federal project #1A - 02 - 0002) (state project #706 - 02 - 0002) | 15-500 | 50% | 15,000 | - | - |
| FTA - Section 5305 - Safety and persons with disabilities (heavy rail) capital assistance program (federal project #1A - 02 - 0002) (state project #706 - 02 - 0002) | 15-500 | 50% | 15,000 | - | - |
| Totals for U.S. Department of Transportation | | | 15,000 | 17,000 | 17,000 |
| Transportation grants | | | \$ 15,000 | \$ 17,000 | \$ 17,000 |

The accompanying notes are an integral part of this schedule.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Funds includes the federal grant activity of the B. Tennessee Economic Development, Inc. and includes prepared using the modified accrual basis of accounting in accordance with generally accepted accounting principles, and which is the same basis of accounting normally presented in general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A - 101, "Basis of Budget, Legal Requirements, and Reporting Requirements." Therefore, expenditures presented in this schedule may differ from amounts presented, or reported, the presentation of, the general purpose financial statements.

Note B - The B. Tennessee Council on the Aging, Inc. did not pass - through any of its federal funds to a subrecipient during the year.

Note C - No federal awards were expensed in the form of non - cash contributions during the fiscal year.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

For the year ended June 30, 1988

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the St. Tammany Council on the Aging, Inc.
2. One reportable condition was disclosed during the audit of the general purpose financial statements and has been 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." The reportable condition was not considered to be a material weakness.
3. No instances of noncompliance material to the general purpose financial statements of the St. Tammany Council on the Aging, Inc. were disclosed during the audit.
4. One reportable condition disclosed during the audit of the major federal award programs was 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." The reportable condition was not considered to be a material weakness.
5. The auditor's report on compliance for the major federal award programs for the St. Tammany Council on the Aging, Inc. expresses an unqualified opinion.
6. There is one audit finding that is required to be reported in accordance with Section 800(a) of OMB Circular A-133. This finding has been discussed in summary form in Part C of this schedule. The details of this finding are presented in Part B of this schedule.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)

A. SUMMARY OF AUDITOR'S RESULTS - (continued)

7. The programs tested as major programs are as follows:

U.S. Department of Health and Human Services -
Administration on Aging/Passed through the Louisiana
Governor's Office of Elderly Affairs:

Special Programs for the Aging - Cluster:

- Title III, Part B - Grants for Supportive Services and Senior Centers; CPDA #93.048
- Title III, Part C - Nutrition Services; CPDA #90.845
- Title III, Part D - In-Home Services for Frail Older Individuals; CPDA #93.846, and
- Title III, Part E - Disease Prevention and Health Promotion Services; CPDA #93.043

8. The threshold for distinguishing Types A and B programs was \$100,000.

9. St. Tammany Council on the Aging, Inc. was determined not to be a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

Reportable Condition:

#98-1 - Indirect and Direct Costs Are Being Allocated Using Inappropriate Methods

Condition: Certain indirect costs were allocated as if they were direct costs. Also, certain direct costs (payroll and vehicle operation) were allocated using budgeted percentages and not based on actual events. This reportable condition is a repeat finding from last year's audit.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

B. FINANCIAL STATEMENT FINDINGS - (Continued)

| | |
|-----------|---|
| Criteria: | Indirect costs are those incurred for common or joint purposes benefiting more than one cost objective that cannot be readily assignable to the cost objective specifically benefited. Direct costs are those that can be identified specifically with a particular cost objective. It is the Council's responsibility to prepare a cost allocation plan that (1) can distinguish between indirect and direct costs, (2) will allocate indirect costs in a consistent and equitable manner, and that will comply with OMB Circular A-89, and (3) allocate direct costs based on actual events. Internal controls should be in place to (1) guide those employees responsible for preparing and following the cost allocation plan, and (2) require management to verify the plan is being followed. |
| Effect: | Certain costs have been allocated improperly amongst the Council's various programs. |
| Cause: | The employees responsible for cost allocation have not been properly trained in how to allocate indirect and direct costs. The Council has not modified its chart of accounts to facilitate the allocation of indirect costs. Procedures have not been implemented to collect direct costs as they are incurred for certain payroll and vehicle costs. Management has not asserted itself enough to require this finding to be fully corrected. |

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)

D. FINANCIAL STATEMENT FINDINGS - (continued)

Perspective: The Council has had four different directors over the past few years. The latest director was hired November 4, 1997 and has had to become accustomed to the Council's policies and procedures. Therefore, he was not able to devote sufficient time to fully correct the cost allocation problems that have carried over from prior years. However, before the Council closed its books for the fiscal year, he attempted to analyze the allocation of indirect costs and make adjusting entries to remedy the improper allocations that had occurred throughout the year. Although I detected some errors in the process, he was able to adjust the indirect costs such that they were allocated reasonably well. I reworked the indirect cost allocation and determined there was not any material effect on the financial statements or on any major federal award program.

Payroll allocations for employees working in multiple programs were considered to be reasonable after applying analytical procedures. The main problem relates to certain employees not documenting actual hours they work for specific programs on their timecards to comply with OMB Circular A-87.

Vehicle cost allocations were corrected by an auditor adjusting entry. The adjustments made were not material to the financial statements and the affected federal award programs.

**Questioned
Costs:**

No significant questioned costs were noted and no grant funds were determined to be unexpended. Audit adjustments have been made to correct identifiable errors. Local funds were used to supplement federal award programs in amounts sufficient to cover any amount of unidentified costs that were improperly allocated.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(continued)

B. FINANCIAL STATEMENT FINDINGS - (continued)

Recommendation: The Council's director should (1) review the Council's FIVE indirect cost allocation plan for conceptual soundness, (2) meet with the Council's outside bookkeeping firm and modify the chart of accounts to accommodate an indirect cost allocation pool and the distribution of indirect costs, (3) train employees involved with the cost allocation process in distinguishing between indirect and direct costs, (4) verify that costs are being allocated properly each month and not wait until year end to correct errors that have accumulated throughout the year, (5) implement procedures to document direct costs as they are incurred for employees who perform services for multiple programs, and (6) train the account clerk to code vehicle costs between 112 B and 111 C3 transportation based on actual vehicle usage and not budgeted percentages.

Council's response: The Council's director acknowledges and agrees with the description of this finding and recommendation, and intends to correct it during fiscal year 1999.

C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

Finding 88-1 noted in section B hereabove is also a reportable condition in internal control over the Council's major federal award programs because the same internal control system is used for all Council activities. There were no questioned costs discovered by us that require reporting in this section. There were no other findings that need to be reported in this section. The major federal programs that are affected by this finding are identified in item 7 of Section A. The description of the condition, criteria, effect, cause, perspective, questioned costs, recommendation, and Council's response are the same as described in Section B.

SUMMARY SCHEDULE OF PRIOR AID FINDINGS

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

June 30, 1968

REPORTABLE CONDITION & MATERIAL WEAKNESS IN INTERNAL CONTROL

| | |
|------------------------|---|
| <u>Finding #ST-1*</u> | <u>Direct and Indirect costs Are Being Allocated Using Inappropriate Methods</u> |
| <u>Application:</u> | This finding relates to all programs of the Council, including those relative to federal awards. |
| <u>Condition:</u> | The Council estimates how costs should be allocated when it prepares its annual budget. The estimates are based on prior experience and what is expected to happen in the upcoming year. As the costs are incurred, they are allocated primarily using the budget. Although actual events may support a different allocation of a particular cost, the Council will continue to follow the budget pattern. |
| <u>Recommendation:</u> | The Council should implement an indirect cost pool and distribute costs charged to it using a direct cost per program formula. Direct costs should be allocated based on actual results and not based on how the budget said they should be allocated. The director should be responsible for learning how to do this process and to supervise employees involved in the process to verify that they understand what to do and that they are doing it. The director may need to attend training in this area, purchase books that discuss how to allocate costs, or to use our firm to help train him and other employees in this area. |

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - (continued)

REPORTABLE CONDITION & MATERIAL WEAKNESS IN INTERNAL CONTROL - (continued)

Finding #97-1: Direct and Indirect Costs Are Being Allocated Using Inappropriate Methods - (continued)

Current Status: This condition was partially corrected. The current director understands what needs to be done and even attempted to properly allocate indirect costs using an acceptable method for FY98. Direct costs were allocated properly except for certain payroll and vehicle costs. However, I have continued to report this condition as a current year reportable condition. See item 98-1. It should be noted that based on my analysis of the effects of this internal control weakness in the FY98 audit, discussions with the Council's director, and the attempts made to correct this condition, I have not considered this condition to be a material weakness in internal control this year. I determined that the effects of this weakness were not likely to have a material effect on the financial statements of the Council nor its major federal award programs.

MANAGEMENT LETTER COMMENTS FROM THE FY97 AUDIT

Immaterial Weaknesses in Internal Control

| <u>Item</u> | <u>Description/Recommendation</u> | <u>Status</u> |
|-------------|---|---|
| 10F1 | Assign specific responsibility for collecting money. | Resolved |
| 10F2 | Assign specific responsibility to update the fixed asset subledger and verify it balances with the general ledger. | Resolved |
| 10F3 | Deposit C-2 donations similar to the C-1 donations. Comparisons of deposits to site manager reports should be made. | Not resolved. See FY98 management letter item 10F1. |
| 10F4 | The director should be alert to unusual and non-routine payroll checks and determine if the checks have been properly calculated. | No further instances noted this year. Resolved. |

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS - (continued)

Immaterial Instances of Noncompliance

| <u>Item</u> | <u>Description/Recommendation</u> | <u>Status</u> |
|-------------|--|---|
| NC #1 | Final reports due to OGRA were not filed timely. | The same thing happened this year. See NC Item #2 in this year's management letter. |
| NC #2 | The Council is required to spend certain minimum percentages of its Title III B funds on specific priority services. | Resolved |
| NC #3 | Actual costs exceeded allowable budget limits in several cases. | Resolved |

NEIL G. FERRARI

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MEMBER OF THE
INSTITUTE OF CERTIFIED CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

August 12, 1988

MANAGEMENT LETTER

To the Board of Directors
St. Tammany Council on the Aging, Inc.
Covington, LA

I have audited the financial statement of St. Tammany Council on the Aging, Inc. as of and for the year ended June 30, 1988, and have issued my report thereon dated August 12, 1988. I conducted my 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 and the provisions of OMB Circular A-133.

As part of my audit, I also issued a report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards, dated August 12, 1988, and a report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133, dated August 12, 1988.

During the course of my audit, I became aware of the following immaterial weaknesses in internal control and immaterial instances of noncompliance.

IMMATERIAL WEAKNESSES IN INTERNAL CONTROL

IC-1: The policy for collecting and depositing C1 and C2 Contributions Needs To Be Reviewed, Evaluated, Communicated, and Enforced.

The council's policy for collecting and depositing C1 and C2 contributions should be reviewed by management to determine if it needs to be redesigned. The current policy requires that these donations be deposited at least weekly. This is not always followed. Further, the amounts reported as being collected by the site managers are not being compared to what is actually deposited for each location. It could be that the current policy is sufficient and that the procedures are just not being followed or enforced. A training session that includes all parties involved in this process should be held to help ensure that everyone understands the process.

IMMATERIAL WEAKNESSES IN INTERNAL CONTROL - (continued)

IC-2: Controls Over Purchasing Need To Be Tightened

Controls over purchasing need to be tightened. Based on my discussion with the Council's director there exists a variety of "possible purchasers" that could obligate the Council without management's knowledge or approval. Management should decide who should be allowed to purchase and set limits on their authority to purchase with or without management's authorization. Management should consider writing letters to companies from which the Council purchases its goods and services specifically authorizing certain people to purchase on behalf of the Council and establish dollar limits where purchases can be made without obtaining a written or verbal approval from the Council's director. Also, review Section 11 of the Council's policy manual to determine if any revisions are needed.

IC-3: Invoices Should Be Marked Paid To Prevent Duplicate Payment

There were a few instances noted by me during the audit where the invoice was not "cancelled" or marked "paid". This should be done to prevent duplicate payment of bills. In particular, I recommend that each invoice of a multiple set of invoices be marked paid if the group of invoices is being paid with one check. Also, travel vouchers should be marked paid.

IC-4: Update the Authorized List of Names Who Can Access the Council's Bank Accounts for All Accounts, Including Savings and Certificates of Deposit

I noted during the audit that on some of the Council's accounts that the people who could access some of the accounts had not been updated to remove previous employees or board members and add current employees or board members. Management should contact each bank and verify who is currently listed as an account user and make the necessary changes.

IMMATERIAL WEAKNESSES IN INTERNAL CONTROL - (continued)

- IC-3: Fixed Asset Deletions Should Be Approved By The Board Of Directors Before They Are Formally Removed From The Fixed Asset Inventories

The process of deleting fixed assets should include a detailed list of the proposed deletions and the reason for the deletions. The list should be approved by the board of directors before the fixed asset manager can delete any asset from the inventory. The director should follow up to determine that the only assets deleted were the ones that were approved.

- IC-4: The Potential Of the Year 2000 Problem Needs To Be Investigated

The Council should verify with its hardware and software vendors that its computer systems have been updated to prevent any problems associated with the Year 2000 problem. Also, check with your bookkeeping firm to verify that it has taken steps to prevent problems with its computers. Please note that I do not have the expertise to judge whether or not your computers have been updated to prevent this problem from impacting the council's operations.

IMMATERIAL INSTANCES OF NONCOMPLIANCE

- NC-1: The System of Collecting Meals Ordered and Served Data and Reporting the Data Needs To Be Reviewed To Determine Where the Breakdowns Are Occurring and How To Correct Them

Instances occurred wherein the amounts reported for meals ordered and the meals served by the site managers don't always match with what the nutrition project director expected. For example, the total meals ordered for us should always match with the number of meals served. But there were instances where differences were reported. In addition, the Pearl River meal site ordered 30 meals a day for a short period of time to give the illusion that it was meeting the minimum daily participation as required by COMB. I recommend the nutrition project director begin to immediately follow up on situations where discrepancies occur in the meals ordered and meals served information. Also, when trends change on the daily amount of meals ordered or served

IMMATERIAL VIOLATIONS IN NONCOMPLIANCE - (continued)

for any particular meal site or route, that he investigate why the changes have occurred. If he attempts to correct the problem and doesn't receive immediate cooperation or appropriate action from the persons involved, the director should be immediately notified.

MC-2: Subcontractors Need To Be More Attentive To Their Contracts With The Council

The Council's director told me that he performed an on-site assessment of The Medical Team (TMT) and that he noted that TMT had not been assessing its clients timely and that some client files were incomplete. Also, there were some billing errors. The director noted that TMT provided an unusually large amount of units in the month of June when compared to the other months in the fiscal year. In other words, TMT was "loading up" its units of service near the end of the fiscal year in order to obtain maximum reimbursement under the contract with the Council. I recommend the Council consider performing a follow up assessment with TMT soon to determine if it has corrected previously noted problems with its assessments, client file maintenance, and billing. I further recommend that the council change its contract terms to require TMT to provide units of service uniformly throughout the year and thereby prevent the subcontractor from "loading up" units at its convenience.

MC-3: COMA Reports Were Filed Late

The year end reports for COMA were filed late. The Council should make sure that its year end closing of the books is such that it will allow management enough time to make adjustments to its books and still be able to file the reports on time.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain these matters or to help implement recommendations.

Sincerely,

Neil G. Ferrari, CPA

Neil G. Ferrari
Certified Public Accountant

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Tammany Council on the Aging, Inc.
Covington, Louisiana

June 30, 1988

To the following oversight agencies for audit:

Federal: U.S. Department of Health and Human Services -
Administration on Aging.

State: Legislative Auditor of the State of Louisiana; and
Governor's Office of Elderly Affairs.

St. Tammany Council on the Aging, Inc., Covington, Louisiana,
respectfully submits the following corrective action plan for the
year ended June 30, 1988.

Name and address of independent public accounting firm: Neil G.
Parrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,
Louisiana, 70816.

Audit period: For the year ended June 30, 1988.

The findings from the June 30, 1988 schedule of findings and
questioned costs are discussed below. The findings are numbered
consistently with the numbers assigned in the schedule. Section A
of the schedule, Summary of Audit Results, does not include
findings and is not addressed in this corrective action plan.

B. FINANCIAL STATEMENT FINDINGS

REPORTABLE CONDITION

Finding 98-1: Indirect and Direct Costs Are Being Allocated
Using Inappropriate Methods

Recommendation: The Council's director should (1) review the
Council's FY88 indirect cost allocation plan
for conceptual soundness, (2) meet with the
Council's outside bookkeeping firm and modify
the chart of accounts to accommodate an
indirect cost allocation pool and the
distribution of indirect costs, (3) train
employees involved with the cost allocation
process in distinguishing between indirect and
direct costs, (4) verify that costs are being
allocated properly each month and not wait
until year end to correct errors that have
accumulated throughout the year, (5) implement
procedures to document direct costs as they

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

Recommendation
(continued) are incurred for employees who perform services for multiple programs, and (6) train the account clerk to code vehicle costs between III B and III C transportation based on actual events.

Action Taken: As noted in the audit report, this is an issue that has been carried over from previous years. Some progress was made to correct this problem during the course of FY98. Our staff received additional training, the Council's outside bookkeeping firm was called upon for assistance, and the way in which costs were allocated was improved. The director now has a much better understanding of what is needed than he did at this time last year. Over the next few months, management will be restructuring the chart of accounts to accommodate an indirect cost pool to allow for the correct distribution of indirect costs. Additionally, the director will implement the six recommendations made by the auditor for Finding 38-1.

C. BRACE FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS

The finding, recommendation, and action taken that was described for finding 38-1 also applies for this section.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

B. MANAGEMENT LETTER FINDINGS AND RECOMMENDATIONS

EMERGING WEAKNESSES IN INTERNAL CONTROL

IC-1: The Policy For Collecting and Depositing CI and CB Contributions Needs To Be Reviewed, Evaluated, Communicated, and Enforced.

**Management's
Action:**

Changes were made during FY88 to address problems in the collecting, depositing, and recording donations. Policies and procedures will again be reviewed, but the focus will be on training and staff compliance with policy and procedure. The policies and procedures relating to donations will be reviewed with the Nutrition Director to ensure his understanding of them. The Nutrition Director will in turn be responsible for the training of direct staff and their compliance with those procedures. The Council's Director will review donation trends and procedure compliance in this area on a monthly basis.

IC-2: Controls Over Purchasing Need To Be Tightened

**Management's
Action:**

The process to improve and tighten controls over purchasing began in FY88 and will continue until all concerns in this area are corrected. Policies and procedures are being currently reviewed (and revised as needed); the number of persons authorized to charge or purchase is being reduced; the number of businesses to which we charge is being reduced; and charges and purchases are being consolidated. The way in which the Council handles local recreational funds for individual senior groups will also be reviewed. Additionally, a more efficient and uniform purchase order system will be developed. Many of the changes have already been made while others are in process. All changes listed above, plus any recommendations listed in IC-2 not addressed above, should be fully implemented in the near future.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

IC-3: Invoices Should Be Marked Paid To Prevent Duplicate Payment

**Management's
Action:**

This is not as simple of an issue to resolve as it sounds. Ascertaining responsibility for many of the Council's financial procedures has been difficult due to inadequate design of or compliance with the established practice. All policies and procedures for the approval and payment of Council bills are being reviewed and revised. Responsibility for payment as well as for correct implementation of policy and procedure has been turned over to the Council's Finance Officer. The director will ensure that the needed training and support is provided, as well as supervise performance on a regular and ongoing basis.

IC-4: Update the Authorized List of Names Who Can Access the Council's Bank Accounts for All Accounts, Including Savings and Certificates of Deposits

**Management's
Action:**

This matter is currently being resolved. The council deals with three different financial institutions. Changes have been made at two of these banks already while the third is in the process of being changed.

IC-5: Fixed Asset Deletions Should Be Approved By the Board of Directors Before They Are Formally Removed From the Fixed Asset Inventory

**Management's
Action:**

The Council's standard procedure simply was not followed. The Assistant Director is also the fixed asset manager and, as such, she is responsible for the fixed asset inventory and ensuring correct procedures are followed. The director will be responsible for submitting the proposed deletions to the board and following up to ensure only the approved assets were deleted.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

MINORIAL INSTANCES OF NONCOMPLIANCE

NC-1: The System of Collecting Meals Ordered and Served Data and Reporting the Data Needs To Be Reviewed To Determine Where the Breakdowns Are Occurring and How To Correct Them

Management's
Action:

There are policies and procedures in place that should prevent these instances from occurring. It appears the issues reported in NC-1 are due to policy and procedure not be followed, or not being understood. The director will review these policies and procedures with the Nutrition Director to ensure his understanding of them, and revise them as needed. The Nutrition Director will be responsible for ensuring all direct staff understand the procedures and that they are implemented correctly. The director will monitor and supervise the progress of this program on a regular and ongoing basis.

NC-2: Subcontractors Need To Be More Attentive To Their Contracts With The Council

Management's
Action:

Management will continue to follow up and closely monitor the Medical Team contract. The Medical Team has been notified in writing of management's concerns, and informed that they should bring these concerns into compliance. The Medical Team has also been notified that the contract will be reviewed at least quarterly to ensure the proper number of people are being served. Revisions will be made as necessary. Additionally, the director agrees with the auditor's recommendations made for NC-2 concerning changing the wording of contracts to prevent "loading up" of visits. The director will ensure this concept will be added to all future contracts.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

MC-11 OORA Reports Were Filed Late

Management's
Action:

Management upgraded and installed new computer hardware in June, 1998. However, this process was not completed until July, 1998. Management had several problems occur during this process that caused it to have problems transmitting reports. The director would like to report most of the computer problems have been resolved, but at this time management continues to incur problems transmitting reports to the state. Management hopes these problems will be resolved in the near future.

If there are any questions regarding this plan, please call Jimmy Cuckern at (984)893-0117.