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Financial Report

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

June 30, 1998

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

Release Date DEC 5 1998

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Greensburg, Louisiana

June 30, 1998

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
St. Helena Council on Aging, Inc.  
Greensburg, Louisiana.

I have audited the accompanying general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of 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. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. 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. Helena Council on Aging, Inc., Greensburg, Louisiana, as of June 30, 1998, 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 26, 1998, on my consideration of the St. Helena Council on 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. Helena Council on Aging, Inc., Greensburg, 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. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Neil B. Ferrari, CPA*

Baton Rouge, Louisiana,  
August 26, 1998.

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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. Helena Council on Aging, Inc.  
Greensburg, Louisiana.

I have audited the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated August 26, 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. Helena Council on 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. Helena Council on Aging, Inc. in a separate letter dated August 26, 1998.

## Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. Helena Council on 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 certain matters involving internal control over financial reporting and its operation that I consider to be reportable conditions. 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. Helena Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. A 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. Helena Council on Aging, Inc. in a separate letter dated August 26, 1998.

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

*Neil B. Fenari, CPA*

Baton Rouge, Louisiana,  
August 26, 1998.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-Term Debt	1998	1997
<b>ASSETS AND OTHER DEBITS</b>						
<b>Assets:</b>						
Cash	\$ 4,816	\$ 1,892	\$ 0	\$ 0	\$ 6,708	\$ 7,591
Grants and contracts receivable	0	5,817	0	0	5,817	5,513
Accounts receivable	174	0	0	0	174	121
Due from Special Revenue funds	4,200	0	0	0	4,200	2,591
<b>Restricted assets:</b>						
Cash	0	69	0	0	69	101
Fixed assets	0	0	11,710	0	11,710	11,410
<b>Other debits:</b>						
Amount to be provided to retire long-term debt	0	0	0	750	750	1,458
<b>Total assets</b>	<b>\$ 9,190</b>	<b>\$ 7,778</b>	<b>\$ 11,710</b>	<b>\$ 750</b>	<b>\$ 29,428</b>	<b>\$ 28,785</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 14	\$ 3,509	\$ 0	\$ 0	\$ 3,523	\$ 3,400
Due to General Fund	0	4,200	0	0	4,200	2,591
<b>Long-term debt:</b>						
Capital lease obligation	0	0	0	750	750	1,458
<b>Total liabilities</b>	<b>14</b>	<b>7,709</b>	<b>0</b>	<b>750</b>	<b>8,473</b>	<b>7,449</b>
<b>Fund Equity and Other Credits:</b>						
<b>Fund balances:</b>						
Reserved	0	69	0	0	69	101
Unreserved - undesignated	9,176	0	0	0	9,176	9,825
Investment in general fixed assets	0	0	11,710	0	11,710	11,410
<b>Total fund equity and other credits</b>	<b>9,176</b>	<b>69</b>	<b>11,710</b>	<b>0</b>	<b>20,955</b>	<b>21,336</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 9,190</b>	<b>\$ 7,778</b>	<b>\$ 11,710</b>	<b>\$ 750</b>	<b>\$ 29,428</b>	<b>\$ 28,785</b>

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. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the year ended June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	General	Special Revenue	Totals (Memorandum Only)	
			1998	1997
<b>REVENUES</b>				
Intergovernmental	\$ 13,029	\$ 88,926	\$ 101,955	\$ 101,476
Public support	200	12,372	12,572	15,693
Interest income	264	0	264	184
Program service fees	196	0	196	280
In-kind contributions	300	0	300	80
<b>Total revenues</b>	<b>13,989</b>	<b>101,298</b>	<b>115,287</b>	<b>117,713</b>
<b>EXPENDITURES</b>				
Current:				
Salaries	0	73,612	73,612	70,985
Fringe	0	12,095	12,095	11,947
Travel	139	12,631	12,770	13,913
Operating services	0	6,924	6,924	6,259
Operating supplies	0	2,953	2,953	2,860
Other costs	521	5,620	6,141	4,963
Meals	0	0	0	0
Capital outlay	0	0	0	0
Debt service	798	0	798	798
Utility assistance	0	375	375	1,562
In-kind expenses	300	0	300	0
<b>Total expenditures</b>	<b>1,758</b>	<b>114,210</b>	<b>115,968</b>	<b>113,287</b>
Excess of revenues over (under) expenditures	12,231	(12,912)	(681)	4,426
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	36,327	36,327	41,289
Operating transfers out	(12,880)	(23,447)	(36,327)	(41,289)
Excess of revenues and other sources over (under) expenditures and other uses	(649)	(32)	(681)	4,426
<b>FUND BALANCES</b>				
Beginning of year	9,825	101	9,926	5,500
End of year	\$ 9,176	\$ 69	\$ 9,245	\$ 9,926

The accompanying notes are an integral part of this statement.

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

## BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental	\$ 12,779	\$ 13,029	\$ 250
Public support	0	200	200
Interest income	0	264	264
Program service fees	0	196	196
In-kind contributions	0	300	300
<b>Total revenues</b>	<b>12,779</b>	<b>13,989</b>	<b>1,210</b>
<b>EXPENDITURES</b>			
Current:			
Salaries	0	0	0
Fringe	0	0	0
Travel	0	139	(139)
Operating services	0	0	0
Operating supplies	0	0	0
Other costs	0	521	(521)
Meals	0	0	0
Capital outlay	0	0	0
Debt service	0	798	(798)
In-kind expenses	0	300	(300)
<b>Total expenditures</b>	<b>0</b>	<b>1,758</b>	<b>(1,758)</b>
<b>Excess of revenues over(under) expenditures</b>	<b>12,779</b>	<b>12,231</b>	<b>(548)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	0	0	0
Operating transfers out	(13,049)	(12,880)	169
<b>Excess of revenues and other sources over(under) expenditures and other uses</b>	<b>(270)</b>	<b>(649)</b>	<b>\$ (379)</b>
<b>FUND BALANCES</b>			
Beginning of year	9,825	9,825	
End of year	\$ 9,555	\$ 9,176	

The accompanying notes are an integral part of this statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 -----  
 BUDGET (GAAP BASIS) AND ACTUAL – SPECIAL REVENUE FUND TYPE  
 -----

St. Helena Council on Aging, Inc.  
 Greensburg, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance – Favorable (Unfavorable)
<b>REVENUES</b>			
<hr style="border-top: 1px dashed black;"/>			
Intergovernmental	\$ 88,889	\$ 88,926	\$ 37
Public support	12,728	12,372	(356)
Program service fees	300	0	(300)
Total revenues	101,917	101,298	(619)
<b>EXPENDITURES</b>			
<hr style="border-top: 1px dashed black;"/>			
Current:			
Salaries	72,885	73,612	(727)
Fringe	13,381	12,095	1,286
Travel	12,881	12,631	250
Operating services	7,245	6,924	321
Operating supplies	3,001	2,953	48
Other costs	5,573	5,620	(47)
Meals	0	0	0
Capital outlay	0	0	0
Utility assistance	0	375	(375)
Total expenditures	114,966	114,210	756
Excess of revenues over(under) expenditures	(13,049)	(12,912)	137
<b>OTHER FINANCING SOURCES (USES)</b>			
<hr style="border-top: 1px dashed black;"/>			
Operating transfers in	36,496	36,327	(169)
Operating transfers out	(23,447)	(23,447)	0
Excess of revenues and other sources over(under) expenditures and other uses	0	(32)	\$ (32)
<b>FUND BALANCES</b>			
<hr style="border-top: 1px dashed black;"/>			
Beginning of year	101	101	
End of year	\$ 101	\$ 69	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

June 30, 1998

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 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. Helena Council on Aging, Inc. is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and the State of Louisiana. Other entities that provide the Council with funds may impose some additional requirements.

The primary function of the St. Helena Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, home repairs, material aid, information and referral services, outreach, utility assistance, operating senior centers, and transportation. A Board of Directors consisting of 11 voluntary members, who serve three-year terms, governs the Council.

The St. Helena Council on 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 applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VI - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs Contractors; and, the Louisiana Governmental Audit Guide.

c. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain 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 purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

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

c. Fund Accounting: (continued)

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

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

- General Fund

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

The following programs comprise the Council's General Fund:

Local

Funds received from various local sources, such as; allocations from the St. Helena Parish Police Jury, donations from the general public, program service fees, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. These funds are not restricted to any special use and may be used at the Council's discretion. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

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

c. Fund Accounting: (continued)

• General Fund - (continued)

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Louisiana 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 PCOA funds to other programs to help provide additional funds to meet program costs.

• Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Louisiana Governor's Office of Elderly Affairs (GOEA), which in turn "passes through" the funds to the Council via the CAAA. GOEA also provides CAAA funds from other state grants which are passed through to the Council.

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

Title III B Supportive Services Fund

The Title III B Supportive Services Fund is used to account for funds which are to provide a variety of services to the elderly, such as; outreach, case management, material aid, home repair, transportation, recreation, utility assistance, telephoning, and information and referral.

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

Title III C-1 Administrative Fund

The Title III C-1 Administrative Fund is used to account for some of the administrative costs of the Special Programs for the Aging. These funds are used to help pay for 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 about 11,613 meals to people eligible to participate in the program.

Title III C-2 Fund

The 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 about 27,982 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 person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.



Note 1 - Summary of Significant Accounting Policies - (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 via the CAAA. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. \$16,088 of Senior Center funds were transferred to the Title III B fund to help pay for the cost of providing supportive services to people who use the senior centers.

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. St. Helena Council on Aging, Inc. was one of the parish councils to receive a special grant of \$4,500. The Governor's Office of Elderly Affairs provided these funds to the Council through the CAAA. The Council used these funds to supplement Title III B supportive services programs this year.

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

- Special Revenue Funds - (continued)

  - Utility Assistance Fund

This fund is used to account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The council receives its DEMCO funds through the CAAA. Helping Hands and Heating Help funds are provided through the Louisiana Association of Councils on Aging, Inc(LACOA).

  - Audit Fund

The Audit Fund is used to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the CAAA, that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

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

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

d. Account Groups: - (continued)

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. However, principal and interest payments on long-term liabilities (capital lease obligations) are accounted for in the General Fund because the Council intends to use General Fund revenues to pay them. 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 management focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental 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.

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

g. Budget Policy:

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

- The Capital Area Agency on Aging - District II, Inc. (CAAA) notifies the Council each year as to the funding levels for each program's grant award.
- Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- The Council's executive director prepares a proposed budget based on the funding levels provided by CAAA 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 fiscal year.
- The adopted budget is forwarded to CAAA for final approval.
- All budgetary appropriations lapse at the end of each fiscal year (June 30).
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one budget amendment during the year. The amendment was effective May 1, 1998. The budget amendment was approved by the Council's Board of Directors and by CAAA using a similar procedure as the approval of the original budget.

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

g. Budget Policy: - (continued)

- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the CAAA and the Governor's Office of Elderly Affairs for funds received under contracts from these agencies.
- 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 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)

i. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type has not been presented in each of the statements because its 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, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

j. Compensated Absences:

The Council's annual and sick leave policy does provide for the accumulation and vesting of leave. However, an employee cannot be paid for any accumulated but unused leave upon termination of employment. As a result, the Council has not accrued any costs relating to unused leave in the financial statements.

k. Related Party Transactions:

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

l. Reservation and Designations of Fund Balances:

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

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

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

m. Restricted Assets:

Restricted assets consist of cash which has been received by the Council for the purpose of providing utility assistance to needy people. This cash resulted from donations made by the general public to various utility companies and is restricted by the donor to only this purpose. Restricted assets are offset by a corresponding reservation of fund balance.

n. Management's Use of Estimates:

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

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

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

Note 3 - Cash

The Council maintains a consolidated bank account to deposit and disburse its money. This account is available for use by all funds. The purpose of this account is to reduce administrative costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to cover any negative cash balances in other funds at year end.

At June 30, 1998, the carrying amount of the Council's cash balance was \$6,777 whereas the related bank balance was \$13,177. The difference in these amounts relates to deposits that have been made and checks that have been written which have not yet cleared the bank. All of the bank balance was covered entirely by federal depository insurance (Category 1).

Note 4 - Grants and Contracts Receivable

Grants and contracts receivable at June 30, 1998, consisted of reimbursements for units of service provided or costs incurred under the following programs:

<u>Programs</u>	<u>Fund</u>	<u>Amount</u>	<u>Grantor/ Contractor</u>
Title III B	Special Revenue	\$4,382	CAAA
Title III C-1	Special Revenue	1,143	CAAA
Title III D	Special Revenue	255	CAAA
Title III F	Special Revenue	<u>37</u>	CAAA
Total		\$5,817 =====	

Note 5 - Changes in Fixed Assets

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

<u>Asset Category</u>	<u>Balance 07-01-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06-30-98</u>
Office furniture & equipment	\$ 8,151	\$ 300	\$ -	\$ 8,451
Nutrition equipment	696	-	-	696
Building improvements	223	-	-	223
Capital lease: Office equipment	<u>2,340</u>	<u>-</u>	<u>-</u>	<u>2,340</u>
Totals	\$ 11,410 =====	\$ 300 =====	\$ - =====	\$ 11,710 =====

Donated assets represent \$2,100 of the year end total for fixed assets.

Note 6 - In-Kind Contributions

The Council received various in-kind contributions during the year. The primary in-kind contributions consisted of free rent and utilities for the Council's main office, Montpelier, Greensburg, and Morgan Hills senior centers; drivers paid by Title V funds; custodial services paid by the St. Helena Police Jury; and labor from several volunteers of the local community serving clients at the meal sites and delivering meals. The Council has not presented as revenues or expenses the value of these contributions in the financial statements because their values could not be clearly and objectively determined.



Note 6 - In-Kind Contributions - (continued)

However, the Council did receive one in-kind contribution which could be valued and which has been recorded as an in-kind contribution in the financial statements. The in-kind contribution was a fax machine and it has been valued at \$300.

Note 7 - Board of Directors' Compensation

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

Note 8 - Retirement Plan

On July 1, 1985, The Council adopted the St. Helena Council on Aging, Inc. Pension Plan. This plan is a defined contribution pension plan which requires that the Council contribute 5% of each participating employee's gross wages each month. All employees age 21 and older with one year of service are eligible for participation in the plan. Benefits are fully and immediately vested from the first date an employee participates. Participants are not required to contribute to the plan. During fiscal year 1998 the Council was required to and did contribute \$2,633 to the pension plan for its eligible employees. This contribution covered \$52,658 of payroll costs for eligible employees. Total payroll costs for all employees was \$73,612. The Council is the plan administrator but receives guidance from Mutual of America Life Insurance Company in handling this responsibility. Plan amendments can be made at the discretion of the Council's board of directors.

If a participant terminates his employment he will receive retirement income beginning at age 65 or earlier retirement date, if elected, based on the employer contributions made for him prior to his termination of employment, including any investment earnings on such contributions.

All contributions are presently being made to a general account comprised primarily of high yielding bonds. The principal is guaranteed and is credited with interest at a rate subject to review and change by Mutual of American Life Insurance Company, the investment company. Such contributions are currently earning interest at approximately 4.50%.

Note 8 - Retirement Plan - (continued)

As an investment alternative, contributions could be made to a pooled common stock fund similar to a mutual fund. Any investments made to this fund will result in participants sharing in the investment income and realized and unrealized gains and losses of the fund and, for this reason, investment experience will make the value of their accounts go up or down.

On December 27, 1988, the plan received its initial favorable determination letter from the Internal Revenue Service under Section 401(a) of the Internal Revenue Code. The Council's management amended the plan on October 6, 1997, to bring the plan into compliance with recent changes in the law. On January 12, 1998, the IRS issued a second favorable determination on the Council's plan, as amended.

Note 9 - Lease Commitments

The Council has no operating leases. However, during fiscal year 1996, the Council entered into a lease-purchase agreement for a new copy machine. Terms of this lease are as follows:

<u>Monthly Payment</u>	<u>Number of months</u>	<u>Date Payment Began</u>	<u>Imputed Interest Rate</u>	<u>Purchase Option</u>
\$66.53	36	02-23-96	10.73%	\$300

Future minimum payments, by year and in the aggregate, under the capital lease are as follows as of June 30, 1998:

<u>Fiscal year ended</u>	<u>Total</u>
06-30-99	<u>\$ 766</u>
Total minimum lease payments remaining	766
Less imputed interest	<u>(16)</u>
Present value of minimum lease payments	\$ 750 =====

Note 10 - Changes in Long-Term Debt

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

	<u>Balance</u> <u>07-01-97</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>06-30-98</u>
Capital lease obligation	\$ 1,458	\$ -	\$ (708)	\$ 750
	=====	=====	=====	=====

Note 11 - 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 95-48, 1995-2 C.B. 418.

Note 12 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council as of June 30, 1998. The Council's management believes that any potential lawsuits would be adequately covered by insurance.

Note 13 - Federal Award Programs

The Council participates in several federal award programs. These programs are audited in accordance with the Government Auditing Standards. Audits of prior years have not resulted in any 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 to such an extent that they would materially affect the Council's financial position.

Note 14 - Interfund Transfers

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

<u>Transfers Out From</u>	<u>Transfers To Title III Programs</u>					<u>Total</u>
	<u>III B</u>	<u>III C1</u>	<u>III C2</u>	<u>III D</u>	<u>III F</u>	
General Fund:						
Local	\$ -	\$ 180	\$ 921	\$ -	\$ -	\$ 1,101
PCOA	<u>3,179</u>	<u>-</u>	<u>8,589</u>	<u>-</u>	<u>11</u>	<u>11,779</u>
Total General Fund	<u>3,179</u>	<u>180</u>	<u>9,510</u>	<u>-</u>	<u>11</u>	<u>12,880</u>
Special Revenue:						
Miscellaneous Grant	-	-	4,477	23	-	4,500
Audit	-	-	611	-	-	611
Senior Center	16,088	-	-	-	-	16,088
Title III C1	<u>-</u>	<u>-</u>	<u>2,248</u>	<u>-</u>	<u>-</u>	<u>2,248</u>
Total Special Revenue Funds	<u>16,088</u>	<u>-</u>	<u>7,336</u>	<u>23</u>	<u>-</u>	<u>23,447</u>
Total transfers	\$19,267	\$ 180	\$16,846	\$ 23	\$ 11	\$36,327
	=====	=====	=====	=====	=====	=====

Note 15 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs and the Capital Area Agency on Aging-District II, Inc. 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 16 - 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.

Note 17 - Interfund Loans

Because the Council operates most of its programs under actual cost and unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1998, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	<u>\$ 4,200</u>	<u>\$ -</u>
Special Revenue Funds:		
Title III B	-	2,832
Title III C-1	-	1,143
Title III D	-	218
Title III F	<u>-</u>	<u>7</u>
Total special revenue funds	<u>-</u>	<u>4,200</u>
Total all funds	<u>\$ 4,200</u> =====	<u>\$ 4,200</u> =====

SUPPLEMENTARY FINANCIAL INFORMATION

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 SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES  
 -----

-----  
 IN FUND BALANCE – GENERAL FUND  
 -----

St. Helena Council on Aging, Inc.  
 Greensburg, Louisiana

For the year ended June 30, 1998

	Programs of the General Fund		
	Local	PCOA	Total
<b>REVENUES</b>			
-----			
Intergovernmental:			
Office of Elderly Affairs	\$ 0	\$ 11,779	\$ 11,779
St. Helena Parish Police Jury	1,250	0	1,250
Public support	200	0	200
Interest income	264	0	264
Program service fee	196	0	196
In-kind contribution	300	0	300
	-----	-----	-----
Total revenues	2,210	11,779	13,989
	-----	-----	-----
<b>EXPENDITURES</b>			
-----			
Current:			
Salaries	0	0	0
Fringe	0	0	0
Travel	139	0	139
Operating services	0	0	0
Operating supplies	0	0	0
Other costs	521	0	521
Meals	0	0	0
Capital outlay	0	0	0
Debt Service:			
Principal retirement	708	0	708
Interest	90	0	90
In-kind expense	300	0	300
	-----	-----	-----
Total expenditures	1,758	0	1,758
	-----	-----	-----
Excess of revenues over(under) expenditures	452	11,779	12,231
	-----	-----	-----
<b>OTHER FINANCING SOURCES</b>			
-----			
Operating transfers in	0	0	0
Operating transfers out	(1,101)	(11,779)	(12,880)
	-----	-----	-----
Excess of revenues and other sources over(under) expenditures and other uses	(649)	0	(649)
	-----	-----	-----
<b>FUND BALANCES(DEFICIT)</b>			
-----			
Beginning of year	9,825	0	9,825
	-----	-----	-----
End of year	\$ 9,176	\$ 0	\$ 9,176
	=====	=====	=====

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the year ended June 30, 1998

	Title III C-1						Totals					
	Title III B	Adm.	Services	Title III C-2	Title III D	Title III F		Senior Center	Utility Assistance	Audit	Miscellaneous Grant	
<b>REVENUES</b>												
<i>Intergovernmental:</i>												
Capital Area Agency on Aging - District II, Inc. (CAAA)	\$ 29,198	\$ 5,084	\$ 10,727	\$ 18,036	\$ 1,161	\$ 1,079	\$ 18,530	\$ 0	\$ 611	\$ 4,500	\$ 88,926	
Public Support:												
LP&L Helping Hands (via LACOA)	0	0	0	0	0	0	0	343	0	0	343	
Client contributions	0	0	3,507	5,955	0	0	0	0	0	0	9,462	
St. Helena Parish Hospital	0	0	0	2,567	0	0	0	0	0	0	2,567	
<b>Total revenues</b>	<b>29,198</b>	<b>5,084</b>	<b>14,234</b>	<b>26,558</b>	<b>1,161</b>	<b>1,079</b>	<b>18,530</b>	<b>343</b>	<b>611</b>	<b>4,500</b>	<b>101,298</b>	
<b>EXPENDITURES</b>												
<i>Current:</i>												
Salaries	35,455	2,628	10,204	23,802	753	770	0	0	0	0	73,612	
Fringe	6,225	630	1,433	3,557	136	114	0	0	0	0	12,095	
Travel	687	207	0	11,711	14	12	0	0	0	0	12,631	
Operating services	2,018	728	152	1,699	47	39	2,241	0	0	0	6,924	
Operating supplies	1,371	94	377	643	157	110	201	0	0	0	2,953	
Other costs	2,709	797	0	1,992	77	45	0	0	0	0	5,620	
Meals	0	0	0	0	0	0	0	0	0	0	0	
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	
Utility assistance	0	0	0	0	0	0	0	375	0	0	375	
<b>Total expenditures</b>	<b>48,465</b>	<b>5,084</b>	<b>12,166</b>	<b>43,404</b>	<b>1,184</b>	<b>1,090</b>	<b>2,442</b>	<b>375</b>	<b>0</b>	<b>0</b>	<b>114,210</b>	
<b>Excess of revenues over (under) expenditures</b>	<b>(19,267)</b>	<b>0</b>	<b>2,068</b>	<b>(16,846)</b>	<b>(23)</b>	<b>(11)</b>	<b>16,088</b>	<b>(32)</b>	<b>611</b>	<b>4,500</b>	<b>(12,912)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>												
Operating transfers in	19,267	0	180	16,846	23	11	0	0	0	0	36,327	
Operating transfers out	0	0	(2,248)	0	0	0	(16,088)	0	(611)	(4,500)	(23,447)	
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(32)</b>	<b>0</b>	<b>0</b>	<b>(32)</b>	
<b>FUND BALANCE (DEFICIT)</b>												
Beginning of year	0	0	0	0	0	0	0	101	0	0	101	
End of year	0	0	0	0	0	0	0	69	0	0	69	



SCHEDULE OF PROGRAM EXPENDITURES -- BUDGET VERSUS ACTUAL  
 GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
 AND THE CAPITAL AREA AGENCY ON AGING

St. Helena Council on Aging, Inc.  
 Greensburg, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>PCOA</b>			
-----			
Transfers to other programs:			
Title III B	\$ 3,173	\$ 3,179	\$ (6)
Title III C-2	8,558	8,589	(31)
Title III F	48	11	37
	-----	-----	-----
Totals	\$ 11,779	\$ 11,779	\$ 0
	=====	=====	=====
<b>TITLE III- B SUPPORTIVE SERVICES</b>			
-----			
Salaries	\$ 35,266	\$ 35,455	\$ (189)
Fringe	7,003	6,225	778
Travel	701	687	14
Operating services	2,192	2,018	174
Operating supplies	1,494	1,371	123
Other costs	2,601	2,709	(108)
	-----	-----	-----
Totals	\$ 49,257	\$ 48,465	\$ 792
	=====	=====	=====
<b>TITLE III C- 1 (ADMINISTRATION)</b>			
-----			
Salaries	\$ 2,628	\$ 2,628	\$ 0
Fringe	524	630	(106)
Travel	248	207	41
Operating services	774	728	46
Operating supplies	139	94	45
Other costs	812	797	15
	-----	-----	-----
Totals	\$ 5,125	\$ 5,084	\$ 41
	=====	=====	=====
<b>TITLE III C- 1 SERVICES</b>			
-----			
Salaries	\$ 10,204	\$ 10,204	\$ 0
Fringe	1,565	1,433	132
Travel	0	0	0
Operating services	0	152	(152)
Operating supplies	500	377	123
Other costs	0	0	0
Transfers to Title III C-2	2,248	2,248	0
	-----	-----	-----
Totals	\$ 14,517	\$ 14,414	\$ 103
	=====	=====	=====

SCHEDULE OF PROGRAM EXPENDITURES – BUDGET VERSUS ACTUAL  
 GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
 AND THE CAPITAL AREA AGENCY ON AGING

St. Helena Council on Aging, Inc.  
 Greensburg, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance – Favorable (Unfavorable)
<b>TITLE III C- 2</b>			
Salaries	\$ 23,279	\$ 23,802	\$ (523)
Fringe	4,088	3,557	531
Travel	11,901	11,711	190
Operating services	1,940	1,699	241
Operating supplies	349	643	(294)
Other costs	2,036	1,992	44
<b>Totals</b>	<b>\$ 43,593</b>	<b>\$ 43,404</b>	<b>\$ 189</b>
<b>TITLE III D</b>			
Salaries	\$ 779	\$ 753	\$ 26
Fringe	56	136	(80)
Travel	17	14	3
Operating services	53	47	6
Operating supplies	205	157	48
Other costs	78	77	1
<b>Totals</b>	<b>\$ 1,188</b>	<b>\$ 1,184</b>	<b>\$ 4</b>
<b>TITLE III F</b>			
Salaries	\$ 729	\$ 770	\$ (41)
Fringe	145	114	31
Travel	14	12	2
Operating services	44	39	5
Operating supplies	114	110	4
Other costs	46	45	1
<b>Totals</b>	<b>\$ 1,092</b>	<b>\$ 1,090</b>	<b>\$ 2</b>
<b>SENIOR CENTER</b>			
Operating services	\$ 2,242	\$ 2,241	\$ 1
Operating supplies	200	201	(1)
Transfers out to Title III B	16,088	16,088	0
<b>Totals</b>	<b>\$ 18,530</b>	<b>\$ 18,530</b>	<b>\$ 0</b>

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL  
 GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
 AND THE CAPITAL AREA AGENCY ON AGING

St. Helena Council on Aging, Inc.  
 Greensburg, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance - Favorable (Unfavorable)
<b>AUDIT FUND</b>			
Transfer to Title III C-2	\$ 611	\$ 611	\$ 0
<b>Totals</b>	<b>\$ 611</b>	<b>\$ 611</b>	<b>\$ 0</b>
<b>MISCELLANEOUS GRANT</b>			
Transfer to other programs:			
Title III C-2	\$ 4,477	\$ 4,477	\$ 0
Title III D	23	23	0
<b>Totals</b>	<b>\$ 4,500</b>	<b>\$ 4,500</b>	<b>\$ 0</b>

Footnote - The PCOA funds were the only funds directly provided by GOEA.

The funds for the other programs were provided by GOEA indirectly through Capital Area Agency on Aging.

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN

GENERAL FIXED ASSETS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the year ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
<b>General fixed assets:</b>				
Office furniture and equipment	\$ 8,151	\$ 300	\$ 0	\$ 8,451
Nutrition equipment	696	0	0	696
Building improvements	223	0	0	223
<b>Property leased under capital lease:</b>				
Office equipment	2,340	0	0	2,340
<b>Total general fixed assets</b>	<b>\$ 11,410</b>	<b>\$ 300</b>	<b>\$ 0</b>	<b>\$ 11,710</b>
<b>Investment in general fixed assets:</b>				
Property acquired prior to 7/1/81**	\$ 3,165	\$ 0	\$ 0	\$ 3,165
<b>Property acquired with funds from --</b>				
Title III-B	359	0	0	359
Title III C-1	215	0	0	215
Title III C-2	1,058	0	0	1,058
Title III D	9	0	0	9
Title III F	2,054	0	0	2,054
Senior Center	187	0	0	187
General funds and local donations	4,363	300	0	4,663
<b>Total investments in general fixed assets</b>	<b>\$ 11,410</b>	<b>\$ 300</b>	<b>\$ 0</b>	<b>\$ 11,710</b>

\*\* Records reflecting source from which assets were acquired were not maintained prior to 7/1/81.

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

St. Helena Council On Aging, Inc.  
Greensburg, Louisiana

For the Year Ended June 30, 1998

Capital Area Agency on Aging - District II, Inc.(CAAA) is the regional area agency for St. Helena Council on Aging, Inc. Because of this relationship, CAAA is primarily responsible to the Governor's Office of Elderly Affairs with respect to meeting and reporting the earmarking percentages and requirements prescribed by Title III, Part B. Accordingly, this schedule is not applicable to the St. Helena Council on Aging, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the Year Ended June 30, 1998

I have audited the financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated August 26, 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. My audit of the financial statements as of June 30, 1998 resulted in an unqualified opinion.

**Section I - Summary of Auditor's Reports**

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses	<u>    </u>	Yes	<u>  X  </u>	No
Reportable Conditions	<u>  X  </u>	Yes	<u>    </u>	No

Compliance:

Compliance Material to Financial Statements	<u>    </u>	Yes	<u>  X  </u>	No
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b. Federal Awards

Federal awards were less than \$300,000. This section is not applicable.

c. Identification of Major Programs

This section is not applicable.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

**Section II - Financial Statement Findings**

Reportable Conditions:

#98-1                    Lack of Segregation of Duties

Condition:            The Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data from these source documents, and (3) reviewing the system output. Certain data is not reviewed by anyone other than the bookkeeper before or after it is processed.

Criteria:             The internal control of any organization should be designed to include the following:

(1) Provide for an appropriate segregation of duties.

(2) Provide for appropriate reviews and approvals of transactions, accounting entries, and systems output.

Effect:                The effect is that transactions could be processed and improperly charged to a program or that transactions could be processed without management's knowledge or authorization and not be timely detected.

Cause:                 When one person is basically responsible for initiating, processing, and recording transactions errors can and will occur. There are three people in the Council's administrative office. Only one, the bookkeeper, has the knowledge and skills to perform the functions necessary to process certain types of transactions particularly those involving the use of the computer.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

**Section II - Financial Statement Findings - (continued)**

**Perspective:** Due to the Council's small size, and lack of available funds to send employees to training, achieving the segregation of duties necessary to cure this reportable condition may take some time to correct. I cited this same finding last year. The Council's director appears to have become more active in his review of the data processed by the computer. He has also attempted to be more involved in the approval of transactions before they are processed. The director has planned to get the third office employee more involved in the data processing and to realign job assignments to further improve the internal control. However, circumstances have not permitted this goal to be achieved. As a result, the bookkeeper still controls substantial parts of the disbursement and payroll cycles. Because of this control and the fact that her accounting and computer skills are better than the director's, this area is still considered a reportable condition in internal control. However, I have not considered this condition to be a material weakness this year because I determined that the effects of this weakness were not likely to have a material effect on the financial statements of the Council.

**Questioned Costs:** There were not any questioned costs related to this finding.

**Recommendation:** The Council's director should continue to become more educated and informed about the accounting process and how the computer works so that his review can be more effective in catching errors timely. The director should consider how he might reassign duties amongst the office employees to achieve more separation of duties and eliminate the bookkeeper's substantial control of certain accounting processes.

**Management's response:** Management acknowledges and agrees with the auditor's description of finding 98-1.

**Section III - Federal Award Findings and Questioned Costs**

This section is not applicable.



SCHEDULE OF PRIOR YEAR FINDINGS

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the Year Ended June 30, 1998

**Section I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

<u>Description of Matter and Auditor's Recommendations</u>	<u>Status</u>
97-1 The auditor reported a lack of segregation in internal control and recommended the Council's director become more educated and informed about the accounting process and how the computer works so that his review can be more effective in catching errors timely. It was also recommended that the director should consider how to reassign duties amongst the office employees to achieve more separation of duties and eliminate the bookkeeper's control over 100% of certain accounting processes.	Partially resolved - See finding 98-1

**Section II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

The description of the matter and auditor's recommendation for item 97-1 hereabove is the same for Section II. The status as described above is also the same.

SCHEDULE OF PRIOR AUDIT FINDINGS - (continued)

Section III - Management Letter

Immaterial Weaknesses in Internal Control

<u>Description of Matter and Auditor's Recommendations</u>	<u>Status</u>
B-1 The director should approve invoices <u>before</u> they are paid and the board members who sign the checks which pay the invoices should verify the director approved the invoices.	Resolved
B-2 The director should pay closer attention to how invoices are coded when he reviews the documentation for invoices being paid.	Resolved
B-3 The director should double check the bookkeeper's addition on travel reimbursements before giving his approval. An amount of \$21 should be collected from an employee who was reimbursed too much due to a clerical error.	Resolved. No further instances noted.
B-4 Annual or sick leave should be documented with an approval leave slip attached to the employee's timesheet.	Unresolved. Instances were noted where this error occurred again. See IC-1 in the Management Letter.
B-5 Too much was contributed for employee pensions. The pension company should be contacted and a refund requested for the excess contributions. Technical questions about the pension plan's operations should be referred to the company to prevent procedural errors from occurring.	Resolved. No further instances noted.

**SCHEDULE OF PRIOR AUDIT FINDINGS - (continued)**

**Immaterial Instances of Noncompliance**

<u>Description of Matter and Auditor's Recommendations</u>	<u>Status</u>
C-1 An instance was noted where an intake form had not been fully completed for a person requesting home delivered meals. Two instances were noted where reassessments had not been done timely on people receiving home delivered meals.	No similar instances were noted this year.
C-2 The system survey questionnaire was signed by the director and not the appropriate board members.	Resolved
C-3 Expenses were allocated based on budget percentages and not in accordance with OMB Circular A-87.	No Change. Unresolved. See Item N-1 in the Management Letter.
C-4 Not all fixed assets have been tagged. This needs to be done.	Resolved

**Other Recommendations**

<u>Description of Matter and Auditor's Recommendations</u>	<u>Status</u>
D-1 Verify if the Police Jury's insurance policy covers the Council's personal property and liability at the main office.	Resolved. The Police Jury is providing the coverage.
D-2 Certain bookkeeping accruals were recommended to be made or not to be made at year end to better comply with generally accepted accounting principles.	Unresolved. The bookkeeper continued the accounting practices of the past. See SUG-1 in the Management Letter.
D-3 Monitor C2 contributions closely to detect fraud timely or to ensure opportunities to donate were being offered to the C2 clients.	Resolved

SCHEDULE OF PRIOR AUDIT FINDINGS - (continued)

Other Recommendations

D-4	Budget revenues and expenses for local activities and the utility assistance programs even if they are not material to the financial statements.	Unresolved. See SUG-2 in the Management Letter.
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## Management Letter

August 26, 1998

To the Board of Directors,  
St. Helena Council on Aging, Inc.  
Greensburg, Louisiana.

I have audited the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated August 26, 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.

As part of my audit, I also issued a report dated August 26, 1998, on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

During the course of my audit, I became aware of the following matters which represent immaterial weaknesses in internal control and immaterial deviations of compliance.

### Immaterial Weaknesses in Internal Control

IC -1: Annual and Sick Leave Are Not Always Approved and Documented

I noted two instances where there was not an approved leave slip attached to the employee's timesheet. I noted similar instances last year. The problem still exists. I recommend the Council's director remind each employee about the requirement to obtain written approval for annual and sick leave. The consequences for failing to do so should be communicated to each employee and the person preparing the paycheck should not pay the employee for any leave of absence until the written approval is obtained from the director. The person(s) signing the paychecks should be alert for this type of error and refuse to sign the paychecks in cases where approved leave is not documented.

IC-2: Employee Pay Rates Need Documenting in Their Personnel Files

Pay raises were given to some employees on July 1, 1997. The raises were documented in the Council's budget but not in the employees' personnel files. All pay rates and their effective dates should be documented in writing in each employee's personnel file. I recommend that each employee's pay rate be documented in his personnel file immediately.

Immaterial Instances of Noncompliance

NC-1: Costs Are Not Being Allocated in Accordance With OMB Circular A-87.

The Council is not allocating some of its costs using a method allowed by OMB Circular A-87. The Council continues to allocate some of its costs using budgeted percentages rather than actual events. The effects are not material to the financial statements but the method used is not technically correct. This was reported to the Council last year in my management letter and the matter has not been fully corrected.

Other Suggestions

SUG-1: I recommend that the bookkeeper remember to record the following transactions as follows:

- a. Medicaid enrollment income should be recorded as a Title III B program service revenue because it is a service provided under the Title III B program and the cost of the payroll for the employee who provides the service is coded to Title III B.
- b. The revenue from the St. Helena Hospital should be recorded as public support in the fund (C1 or C2) for which the donor intended the money to be used and not in the General Fund.
- c. Do not accrue money that the Council expects to receive from the Police Jury or the St. Helena Hospital until the funds are actually received by the Council.
- d. Do not accrue the audit fee as a year end payable. Record the expense when the Council receives the service.

I recommended that the Council follow these bookkeeping recommendations last year but they were not followed.

SUG-2: Budget Revenues and Expenses for All Activities

Last year I recommended the Council budget revenues and expenses for the Utility Assistance program and any local program of the General Fund, even if they were not material. Although these programs are immaterial to the Council's financial statements, they should still be budgeted to make the budget process as complete and comprehensive as possible.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain the findings and suggestions. I can also help implement the recommendations at your request.

Sincerely,

*Neil Ferrari, CPA*

Neil G. Ferrari  
Certified Public Accountant

NGF/bac

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Helena Council on Aging, Inc.  
Greensburg, Louisiana

For the Year Ended June 30, 1998

**SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

98-1 Lack of Segregation of Duties

The Council's director should continue to become more educated and informed about the accounting process and how the computer works so that his review can be more effective in catching errors timely. The director should consider how he might reassign duties amongst the office employees to achieve more separation of duties and eliminate the bookkeeper's substantial control over 100% of certain accounting processes.

Management's Action

We concur with the auditor's perspective about this finding. We acknowledge the size of our office staff and other circumstances prevented the Council from fully correcting this finding for fiscal year 1998. However, our plan now is to look for ways to have the office secretary assume jobs done by the bookkeeper in the past to attain a more meaningful segregation of duties. This will be done as the secretary gains the necessary experience to handle specific tasks.

**SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

Because the Council uses the same system of internal control for all its programs, federal awards are also affected by the lack of segregation of duties described by item 98-1. Accordingly, management's action is also the same.



MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

**SECTION III - MANAGEMENT LETTER**

**IMMATERIAL WEAKNESSES IN INTERNAL CONTROL**

IC - 1: Annual and Sick Leave Are Not Always Approved and Documented

Management's  
Action:

The director has reviewed with the Council's bookkeeper the procedure of requiring all annual and sick leave to be approved and documented. The director will pay closer attention to whether or not the proper documentation is attached to employee timesheets when performing his review of payroll.

IC-2: Employee Pay Rates Need Documenting in Their Personnel Files

Management's  
Action:

Employee pay rates have now been documented in each employee's personnel file.

**IMMATERIAL INSTANCES OF NONCOMPLIANCE**

NC-1: Costs Are Not Being Allocated in Accordance With OMB Circular A-87.

Management's  
Action:

OMB Circular A-87 will be reviewed and changes made so that the Council's costs will be allocated in accordance with what the circular prescribes.

**OTHER SUGGESTIONS:**

SUG-1: I recommend that the bookkeeper remember to record the following transactions as follows:

- a. Medicaid enrollment income should be recorded as a Title III B program service revenue because it is a service provided under the Title III B program and the cost of the payroll for the employee who provides the service is coded to Title III B.
- b. The revenue from the St. Helena Hospital should be recorded as public support in the fund (C1 or C2) for which the donor intended the money to be used and not in the General Fund.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

**OTHER SUGGESTIONS: - (continued)**

- c. Do not accrue money that the Council expects to receive from the Police Jury or the St. Helena Hospital until the funds are actually received by the Council.
- d. Do not accrue the audit fee as a year end payable. Record the expense when the Council receives the service.

**Management's**

**Action:**

The Council's director has instructed the bookkeeper to record these transactions as recommended by the auditor.

**SUG-2:**

Budget Revenues and Expenses For all Activities

**Management's**

**Action:**

All identifiable program activities will have their revenues and expenses budgeted.

If there are any questions regarding this plan, please call Reed Meadors at (225) 222-6070.