

TABLE OF CONTENTS

Introduction and summary.....	1
Independent auditor's report - general purpose financial statements and supplemental information.....	2 - 3
General purpose financial statements:	
Combined balance sheet - all fund types and account groups...	4
Combined statement of revenue, expenditures and changes in fund balances - all governmental fund types.....	5 - 6
Combined statement of revenue, expenditures and changes in fund balances - budget (GAAP basis) and actual - general fund.....	7
Combined statement of revenue, expenditures and changes in fund balances - budget (GAAP basis) and actual - special revenue funds.....	8 - 9
Notes to financial statements.....	10 - 17
Required supplementary information	
Year 2000 issues.....	19 - 20
Supplemental information:	
Description of special revenue funds.....	22 - 23
Combining statement of program revenue, expenditures and changes in fund balance - general fund.....	24
Combining statement of program revenue, expenditures and changes in fund balances - special revenue funds.....	25 - 26
Statement of expenditures - budget and actual - general and special revenue funds.....	27 - 30
Comparative statements of general fixed assets and changes in general fixed assets.....	31
Schedule of payments to subcontractors categorized by function for the year ended June 30, 1999.....	32
Schedule of priority services Title III-B - Grant for Supportive Services.....	33
Schedule of expenditures of federal awards.....	34
Independent auditor's report on compliance and on internal control over financial reporting based on an audit of general purpose financial statements performed in accordance with <i>Government Auditing Standards</i>	35 - 36

Independent auditor's report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.....	37 - 38
Schedule of findings and questioned costs.....	39 - 40

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
INTRODUCTION AND SUMMARY
June 30, 1999 and 1998**

INTRODUCTION

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

SUMMARY

During the periods ended June 30, 1999 and 1998, the Agency received \$3,024,996 and \$3,014,685, respectively, to fund administrative costs and programs serving older citizens. Funding is summarized as follows:

<u>Funding Source</u>	<u>1999</u>	<u>1998</u>
Governor's Office of Elderly Affairs, State of Louisiana.....	\$ 2,759,781	\$ 2,755,311
Entergy - Project Care.....	15,184	16,464
United Way.....	128,561	128,561
Interest.....	8,345	6,579
Other.....	113,125	107,770
	<u>\$ 3,024,996</u>	<u>\$ 3,014,685</u>

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

CERTIFIED PUBLIC ACCOUNTANTS
4911 BENNINGTON AVENUE
BATON ROUGE, LOUISIANA 70808-3153
(225) 925-1120
FACSIMILE (225) 927-8124

WENDEL FOUSHEE, CPA
CHARLES S. COMEAUX, JR., CPA
MICHAEL A. THAM, CPA
ROBERT L. STAMCY, CPA

RAYMOND P. PRINCE, CPA
SYLVIA M. KIDDER, CPA

MEMBERS - SEC AND
PRIVATE COMPANIES PRACTICE
SECTIONS OF THE AMERICAN
INSTITUTE OF CPAs

EID #72-0454386

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of Capital Area Agency on Aging - District II, Inc. as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Capital Area Agency on Aging - District II, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Agency on Aging - District II, Inc. as of June 30, 1999, and the results of its operations and the changes in its fund balances for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 2, 1999, on our consideration of Capital Area Agency on Aging - District II, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The disclosures regarding Year 2000 issues on pages 19-20 are not a required part of the general purpose financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We did not audit and do not express an opinion on

Continued...

such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the nature of the subject matter underlying the disclosure requirements and because sufficiently specific criteria regarding the matters to be disclosed have not been established. In addition, we do not provide assurance that the Capital Area Agency on Aging - District II, Inc., is or will become Year 2000 compliant, that its Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Agency does business are or will be Year 2000 compliant.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., taken as a whole. The accompanying supplemental schedule of expenditures of federal awards on page 34 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Also, the accompanying supplemental fund information pages 22 and 23, combining financial statements pages 24 - 26 and other supplemental information schedules pages 27 - 33 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.


November 2, 1999

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

June 30, 1999

GOVERNMENTAL FUND TYPES	ACCOUNT GROUPS			1999	1998
	General	Special Revenue	General Fixed Assets	Long-term debt	(Memorandum only)
	General	Special Revenue	General Fixed Assets	Long-term debt	(Memorandum only)
ASSETS					
Cash.....	\$ 8,740	\$ 317,456	\$ -	\$ -	\$ 241,786
Receivables on funding contracts	-	90,099	-	-	14,895
Due from subcontractors.....	-	17,908	-	-	19,201
Other assets.....	-	5,041	-	-	8,176
Office equipment.....	-	-	34,848	-	39,857
Office furniture and fixtures.....	-	-	12,872	-	12,936
Amount to be provided for retirement of long-term debt.....	-	-	-	7,562	7,050
Total assets.....	<u>\$ 8,740</u>	<u>\$ 430,504</u>	<u>\$ 47,720</u>	<u>\$ 7,562</u>	<u>\$ 443,901</u>

LIABILITIES AND FUND BALANCES

LIABILITIES					
Accounts payable and accrued expenses...	\$ -	\$ 100,373	\$ -	\$ -	\$ 101,111
Due to subcontractors.....	-	97,345	-	-	82,799
Accrued compensated absences.....	-	-	-	7,562	7,050
	<u>-</u>	<u>197,718</u>	<u>-</u>	<u>7,562</u>	<u>190,960</u>
FUND BALANCES					
Unreserved:					
Undesignated.....	8,740	232,786	-	-	241,526
Investment in general fixed assets.....	-	-	47,720	-	47,720
Total fund balances.....	<u>8,740</u>	<u>232,786</u>	<u>47,720</u>	<u>-</u>	<u>252,941</u>
Total liabilities and fund balances.....	<u>\$ 8,740</u>	<u>\$ 430,504</u>	<u>\$ 47,720</u>	<u>\$ 7,562</u>	<u>\$ 443,901</u>

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**
**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES-
ALL GOVERNMENTAL FUND TYPES**
For The Year Ended June 30, 1999

	<u>General</u>	<u>Special Revenue</u>	-----Totals----- (Memorandum only)	
			<u>1999</u>	<u>1998</u>
REVENUE				
Governmental.....	\$ -	\$ 2,759,781	\$ 2,759,781	\$ 2,755,311
Other:				
Entergy - Project Care.....	-	15,184	15,184	16,464
United Way.....	-	128,561	128,561	128,561
Interest.....	2,132	6,213	8,345	6,579
Other.....	-	113,125	113,125	107,770
	<u>2,132</u>	<u>3,022,864</u>	<u>3,024,996</u>	<u>3,014,685</u>
EXPENDITURES				
Administration:				
Salaries.....	-	131,409	131,409	127,388
Fringe benefits.....	-	39,864	39,864	38,083
Travel.....	517	6,073	6,590	5,082
Operating services.....	-	34,853	34,853	32,605
Operating supplies.....	-	3,376	3,376	2,991
Professional services.....	-	6,980	6,980	6,500
Other costs.....	789	1,200	1,989	3,245
Capital outlay.....	-	-	-	3,074
	<u>1,306</u>	<u>223,755</u>	<u>225,061</u>	<u>218,968</u>
Congregate Meal Program.....	-	331,139	331,139	345,301
Home Delivered Meal Program.....	-	783,398	783,398	791,291
	<u>-</u>	<u>1,114,537</u>	<u>1,114,537</u>	<u>1,136,592</u>
Contracted social services:				
Ascension Council on Aging, Inc.....	-	130,025	130,025	128,741
Assumption Council on Aging, Inc.....	-	107,787	107,787	106,581
Capital Area Legal Services.....	-	146,562	146,562	146,060
East Feliciana Council on Aging, Inc...	-	118,219	118,219	117,301
Iberville Council on Aging, Inc.....	-	145,446	145,446	144,213
Pointe Coupee Council on Aging, Inc....	-	128,214	128,214	130,044
St. Helena Council on Aging, Inc.....	-	89,772	89,772	88,926

Continued...

	General	Special Revenue	-----Totals-----	
			(Memorandum only)	
			1999	1998
Southeast La. Legal Services Corp.....	\$ -	\$ 107,433	\$ 107,433	\$ 107,018
Tangipahoa Council on Aging, Inc.....	-	292,403	292,403	287,928
Washington Council on Aging, Inc.....	-	228,710	228,710	225,726
West Baton Rouge Council on Aging, Inc.	-	80,403	80,403	79,879
West Feliciana Council on Aging, Inc...	-	69,046	69,046	68,558
	-	1,644,020	1,644,020	1,630,975
Total expenditures.....	1,306	2,982,312	2,983,618	2,986,535
Excess of revenue over expenditures.....	826	40,552	41,378	28,150
OTHER FINANCING SOURCES (USES)				
Operating transfers in.....	-	393,617	393,617	419,363
Operating transfers out.....	-	(393,617)	(393,617)	(419,363)
	-	-	-	-
Excess of revenue and other sources over expenditures and other uses.....	826	40,552	41,378	28,150
FUND BALANCES				
Beginning of year.....	7,914	192,234	200,148	171,998
End of year.....	\$ 8,740	\$ 232,786	\$ 241,526	\$ 200,148

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**
**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND**
For The Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUE			
Interest.....	\$ 1,720	\$ 2,132	\$ 412
	<u>1,720</u>	<u>2,132</u>	<u>412</u>
 EXPENDITURES			
Administration:			
Travel.....	600	517	83
Other.....	-	789	(789)
	<u>600</u>	<u>1,306</u>	<u>(706)</u>
Excess (deficiency) of revenue over expenditures.....	<u>1,120</u>	<u>826</u>	<u>(294)</u>
 OTHER FINANCING SOURCES (USES)			
Operating transfers in.....	-	-	-
Operating transfers out.....	<u>(1,120)</u>	<u>-</u>	<u>1,120</u>
Excess of revenue and other sources over expenditures and other uses.....	-	826	\$ <u><u>826</u></u>
 FUND BALANCES			
Beginning of year.....	<u>7,914</u>	<u>7,914</u>	
End of year.....	\$ <u><u>7,914</u></u>	\$ <u><u>8,740</u></u>	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.**
**COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL -
SPECIAL REVENUE FUNDS**
For The Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
REVENUE			
Governmental.....	\$ 2,745,170	\$ 2,759,781	\$ 14,611
Other:			
Entergy - Project Care.....	-	15,184	15,184
United Way.....	128,561	128,561	-
Interest.....	9,040	6,213	(2,827)
Other.....	104,457	113,125	8,668
	<u>2,987,228</u>	<u>3,022,864</u>	<u>35,636</u>
EXPENDITURES			
Administration:			
Salaries.....	133,215	131,409	1,806
Fringe benefits.....	40,239	39,864	375
Travel.....	6,227	6,073	154
Operating services.....	36,347	34,853	1,494
Operating supplies.....	3,276	3,376	(100)
Professional services.....	7,100	6,980	120
Other costs.....	1,853	1,200	653
	<u>228,257</u>	<u>223,755</u>	<u>4,502</u>
Congregate Meal Program.....	342,319	331,139	11,180
Home Delivered Meal Program.....	788,936	783,398	5,538
	<u>1,131,255</u>	<u>1,114,537</u>	<u>16,718</u>
Contracted social services:			
Ascension Council on Aging, Inc.....	123,845	130,025	(6,180)
Assumption Council on Aging, Inc.....	107,787	107,787	-
Capital Area Legal Services, Inc.....	146,562	146,562	-
East Feliciana Council on Aging, Inc....	116,579	118,219	(1,640)
Iberville Council on Aging, Inc.....	143,578	145,446	(1,868)
Pointe Coupee Council on Aging, Inc.....	126,513	128,214	(1,701)

Continued...

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Contracted social services (continued):			
St. Helena Council on Aging, Inc.....	\$ 89,772	\$ 89,772	\$ -
Southeast La. Legal Services Corp.....	107,433	107,433	-
Tangipahoa Council on Aging, Inc.....	292,403	292,403	-
Washington Council on Aging, Inc.....	228,710	228,710	-
West Baton Rouge Council on Aging, Inc...	77,154	80,403	(3,249)
West Feliciana Council on Aging, Inc....	68,500	69,046	(546)
	<u>1,628,836</u>	<u>1,644,020</u>	<u>(15,184)</u>
Total expenditures.....	<u>2,988,348</u>	<u>2,982,312</u>	<u>6,036</u>
Excess (deficiency) of revenues over expenditures.....	(1,120)	40,552	41,672
OTHER FINANCING SOURCES (USES)			
Operating transfers in.....	415,589	393,617	(21,972)
Operating transfers out.....	<u>(414,469)</u>	<u>(393,617)</u>	<u>20,852</u>
	<u>1,120</u>	<u>-</u>	<u>(1,120)</u>
Excess of revenue and other sources over expenditures and other uses.....	-	40,552	<u>\$ 40,552</u>
FUND BALANCES			
Beginning of year.....	<u>192,234</u>	<u>192,234</u>	
End of year.....	<u>\$ 192,234</u>	<u>\$ 232,786</u>	

See accompanying notes

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 1999**

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Reporting Entity

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

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

Presentation

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

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

Estimates

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

Income Tax Status

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

Fund Accounting

The accounts of the Agency are organized on the basis of funds and

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

account groups, which are considered separate accounting entities. 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. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are spent and the means by which spending activities are controlled. The various funds and account groups presented in these financial statements are described below.

Governmental Fund Types

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

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Account Groups

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

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

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

Basis of Accounting

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

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

curred, if measurable.

Revenue Recognition

The Senior Center program, Title III-B, III C-1, III C-2, III-D, Elderly Protective Services and III-F funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are also recognized as revenue as the related costs are incurred, and the grant reimbursement becomes available and is measurable.

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

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

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

Transfers

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

Budget Policy

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

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

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

Total Columns of the Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to help with finan-

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

cial 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.

Receivables and Bad Debts

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

Fixed Assets

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

Long-term Liabilities

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

Annual and Sick Leave

GASB Statement No. 16 requires the accrual for vacation leave to the extent it is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement. The Agency has recorded a liability as of June 30, 1999 for the accrued vacation for each employee at the employees' current rate of pay. Standards require that applicable provisions for retirement, social security, and Medicare taxes be included in the accrued compensation.

GASB Statement No. 16 requires the accrual for sick leave if it is probable that the employer will compensate the employees for the benefits through cash payments conditioned on the employees' termination or retirement. Since the accumulated sick leave lapses upon termination, no amount has been accrued.

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

Comparative Data

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

B: CASH

The Agency's cash at June 30, 1999 is categorized below to give an indication of the level of risk assumed by the Agency at year-end. Category 1 includes cash that is insured or registered, or otherwise secured by securities held by the Agency or its agent in the Agency's name. Category 2 includes uninsured and unregistered cash secured with securities held by the counter party's trust department or agent in the Agency's name. Category 3 includes uninsured and unregistered cash secured with securities held by the counter party or by its trust department or agent but not in the Agency's name.

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

	-----Category-----			Bank Balance
	1	2	3	
Cash.....	\$ 100,000	\$ -	\$ 322,442	\$ 422,442
Total cash.....	\$ 100,000	\$ -	\$ 322,442	\$ 422,442

C: RECEIVABLES ON FUNDING CONTRACTS

Receivables on funding contracts at June 30, 1999, consist of the following:

Source	Amount
U.S.D.A.....	\$ 25,819
United Way.....	64,280
	\$ 90,099

D: BOARD OF DIRECTORS' COMPENSATION

Service on the Board of Directors is voluntary and, therefore, members are not compensated in the form of per diem. Members of the Board are reimbursed for travel expenses. These reimbursements were \$2,187 in 1999 and \$1,414 in 1998.

E: CHANGES IN LONG-TERM DEBT

The following is a summary of transactions relating to the Agency's long-term debt during fiscal year 1999.

	Balance 7-1-98	Additions	Reductions	Balance 6-30-99
Accrued compensated absences.....	\$ 7,050	\$ 10,398	\$ (9,886)	\$ 7,562

F: FIXED ASSETS

A summary of changes to fixed assets for the year ended June 30, 1999, is as follows:

	OFFICE EQUIPMENT	OFFICE FURNITURE AND FIXTURES	TOTAL
Balance - beginning of year..	\$ 39,857	\$ 12,936	\$ 52,793
Additions:			
Computers and other office equipment.....	-	-	-
Office furniture.....	-	-	-
Deletions:			
Computers and other office equipment.....	(5,009)	-	(5,009)
Office furniture.....	-	(64)	(64)
Balance - end of year.....	\$ 34,848	\$ 12,872	\$ 47,720

G: PENSION PLAN

The agency administers a defined contribution pension plan covering all employees with one year or more of service. Employer contributions amounting to 5% of an employee's salary are made annually and benefits are fully and immediately vested. Pension expense of \$7,878 and \$7,693 including administrative charges, is reported in fringe benefits for 1999 and 1998, respectively. Plan benefits are funded through group annuity contracts that are valued at \$103,043 as of December 31, 1998.

H: LEASE COMMITMENT

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

H: LEASE COMMITMENT (Continued)

its option under the lease, extending the term two years to June 30, 1999. Lease expense was \$15,792 for the year ended June 30, 1999. The lease has been renewed effective July 1, 1999, for a three year term expiring June 30, 2002 with monthly rentals of \$1,362. Future minimum lease payments under the new lease agreement are as follows:

<u>YEAR ENDED</u>	<u>AMOUNT</u>
6-30-00.....	\$ 16,344
6-30-01.....	16,344
6-30-02.....	16,344
	<u>\$ 49,032</u>

I: INTERFUND TRANSFERS

Transfers in and out are listed by fund type for the year ended June 30, 1999:

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
GENERAL FUND.....	\$ -	\$ -
Total General.....	-	-
 SPECIAL REVENUE FUNDS		
Area Agency Administration.....	13,971	-
Title III C-1 (Congregate meals).....	84,572	-
Title III C-2 (Home delivered meals).....	295,074	-
Title III-B.....	-	-
Title III-F.....	-	-
Elderly Protective Services.....	-	-
U.S.D.A. Cash.....	-	264,720
United Way.....	-	123,335
Other Restricted.....	-	5,562
Total Special Revenue.....	<u>393,617</u>	<u>393,617</u>
	<u>\$ 393,617</u>	<u>\$ 393,617</u>

J: ECONOMIC DEPENDENCY

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

K: FEDERALLY ASSISTED PROGRAMS - COMPLIANCE CONTINGENCIES

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

L: SUBCONTRACTOR AUDITS

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

M: REQUIRED INDIVIDUAL FUND DISCLOSURES

Neither the general fund nor any individual fund of the Special Revenue Funds had a deficiency of revenue and other sources over expenditures and other uses for the year ended June 30, 1999.

REQUIRED SUPPLEMENTARY INFORMATION

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
YEAR 2000 ISSUES**

June 30, 1999

(Unaudited)

In October, 1998, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. The provisions of the GASB technical bulletin require the Capital Area Agency on Aging to make disclosures about its state of readiness in addressing Year 2000 issues for its internal computer systems and equipment. On March 29, 1999, GASB issued Technical Bulletin 99-1 that amended the previously issued disclosure requirements allowing for the disclosures to be made in required supplementary information. **This note is written pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law 105-271, 112 Stat. 2386 (1998).**

The Year 2000 issue is the result of shortcomings in electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond.

The following stages have been identified by the GASB as necessary to implement a Year 2000-compliant system:

Awareness Stage - In the first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due dates) for dealing with the Year 2000 issue.

Assessment Stage - While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment-systems and equipment critical to conducting operations to check compliance.

Remediation Stage - During this stage, an organization actually makes changes to systems and equipment. This stage involves the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to make the system or processes Year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running to test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

The Agency's staff has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 issue and that are necessary to conduct Agency operations. The Agency has identified the following systems requiring Year 2000 remediation:

Financial Reporting and Payroll System. Testing and validation of the upgraded internal financial reporting and payroll system used by the Agency is in process. Further remediation if needed together with follow-up testing and validation will be completed in December, 1999.

Programmatic System. The upgraded programmatic system provided by the State of Louisiana linking the Agency with the State of Louisiana for certain reporting purposes has been installed and is being tested and validated. Further remediation if needed together with follow-up testing and validation will be completed in December, 1999.

Computer Hardware and Operating Systems. All system units together with their Windows operating systems have been tested and validated and are believed by management to be Year 2000 compliant.

Other Equipment. The Agency has completed testing and validation on other equipment, including copiers and fax machines, identified as necessary to conduct Agency operations.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Capital Area Agency on Aging is or will be Year 2000 ready, that the Agency's remediation efforts will be successful in whole or in part, or that parties with whom the Agency does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION

SPECIAL REVENUE FUNDS

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

Title III C-1 Area Agency Administration (AAA)

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

Title III-B Fund

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

Title III C-1 Fund

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

Title III C-2 Funds

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

Title III-D Fund

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

Title III-F Fund

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

USDA Cash Fund

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

Senior Center Fund/Supplemental Senior Center Fund

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

Audit Fund

The audit fund is used to account for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the agency and the various councils' financial statements.

United Way Fund

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

Utility Relief Fund

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

Elderly Protective Services Fund

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

Other Funds

Interest earned on idle cash from other restricted use funds may be used to fund various programs as the need arises.

**CAPITAL AREA AGENCY ON AGING
DISTRICT II, INC.
COMBINING STATEMENT OF PROGRAM REVENUE,
EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
For the Year Ended June 30, 1999**

	<u>Local</u>	<u>Total</u>
REVENUE		
Interest.....	\$ 2,132	\$ 2,132
	<u>2,132</u>	<u>2,132</u>
EXPENDITURES		
Administration:		
Travel.....	517	517
Other.....	789	789
	<u>1,306</u>	<u>1,306</u>
Excess of revenue over expenditures.....	<u>826</u>	<u>826</u>
OTHER FINANCING SOURCES (USES)		
Operating transfers in.....	-	-
Operating transfers out.....	-	-
	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses.....	826	826
FUND BALANCES		
Beginning of year.....	7,914	7,914
End of year.....	\$ <u>8,740</u>	\$ <u>8,740</u>

---SPECIAL REVENUE FUNDS---

		---STATE PROGRAMS---			---OTHER PROGRAMS---			
U.S.D.A. CASH	SENIOR CENTER	AUDIT	SUP SENIOR CENTER	ELDERLY PROTECTIVE	UNITED WAY	UTILITY RELIEF	OTHER	TOTAL
296,705	-	-	-	-	-	-	\$ -	1,392,729
-	266,937	14,290	27,000	252,113	-	-	-	1,367,052
-	-	-	-	-	-	15,184	-	15,184
-	-	-	-	-	128,561	-	-	128,561
-	-	-	-	-	-	-	6,213	6,213
-	-	-	-	-	-	-	8,011	113,125
<u>296,705</u>	<u>266,937</u>	<u>14,290</u>	<u>27,000</u>	<u>252,113</u>	<u>128,561</u>	<u>15,184</u>	<u>14,224</u>	<u>3,022,864</u>
-	-	-	-	10,324	-	-	-	131,409
-	-	-	-	2,889	-	-	-	39,864
-	-	-	-	579	-	-	-	6,073
-	-	-	-	5,549	-	-	-	34,853
-	-	-	-	737	-	-	-	3,376
-	-	3,478	-	620	-	-	-	6,980
-	-	-	-	33	-	-	95	1,200
-	-	<u>3,478</u>	-	<u>20,731</u>	-	-	<u>95</u>	<u>223,755</u>
-	-	-	-	-	-	-	-	512,557
-	-	-	-	-	-	-	-	601,980
-	-	-	-	-	-	-	-	1,114,537
-	31,660	1,040	4,500	-	-	6,180	-	130,025
-	19,635	761	4,500	-	-	-	-	107,787
-	-	-	-	134,190	-	-	-	146,562
-	18,530	770	-	-	-	1,640	-	118,219
-	24,488	1,194	-	-	-	1,868	-	145,446



-- SPECIAL REVENUE FUNDS--

		STATE PROGRAMS			OTHER PROGRAMS			
U.S.D.A. CASH	SENIOR CENTER	AUDIT	SUP SENIOR CENTER	ELDERLY PROTECTIVE	UNITED WAY	UTILITY RELIEF	OTHER	TOTAL
-	21,855	1,101	\$ -	-	5,226	1,701	\$ -	128,214
-	18,530	610	4,500	-	-	-	-	89,772
-	-	-	-	97,192	-	-	-	107,433
-	56,562	2,534	4,500	-	-	-	-	292,403
-	38,617	1,753	4,500	-	-	-	-	228,710
-	18,530	507	4,500	-	-	3,249	-	80,403
-	18,530	542	-	-	-	546	-	69,046
-	266,937	10,812	27,000	231,382	5,226	15,184	-	1,644,020
-	266,937	14,290	27,000	252,113	5,226	15,184	95	2,982,312
296,705	-	-	-	-	123,335	-	14,129	40,552
-	-	-	-	-	-	-	-	393,617
(264,720)	-	-	-	-	(123,335)	-	(5,562)	(393,617)
(264,720)	-	-	-	-	(123,335)	-	(5,562)	-
31,985	-	-	-	-	-	-	8,567	40,552
42,436	-	-	-	-	128,561	-	21,237	192,234
\$ 74,421	\$ -	\$ -	\$ -	\$ -	\$ 128,561	\$ -	\$ 29,804	\$ 232,786

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
For The Year Ended June 30, 1999**

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
GENERAL FUND			
LOCAL			
Travel.....	\$ 600	\$ 517	\$ 83
Other.....	-	789	(789)
Transfers to other funds:			
Title III C-1 Area Agency Admin- istration.....	1,120	-	1,120
	<u>\$ 1,720</u>	<u>\$ 1,306</u>	<u>\$ 414</u>
SPECIAL REVENUE FUNDS			
TITLE III C-1 AREA AGENCY ADMINISTRATION			
Salaries.....	\$ 101,405	\$ 98,247	\$ 3,158
Fringe benefits.....	31,297	30,350	947
Travel.....	4,137	4,052	85
Operating services.....	23,239	23,330	(91)
Operating supplies.....	2,090	1,996	94
Professional services.....	1,894	1,876	18
Other costs.....	643	257	386
	<u>\$ 164,705</u>	<u>\$ 160,108</u>	<u>\$ 4,597</u>
TITLE III-B SUPPORTIVE SERVICES			
Salaries.....	\$ 17,285	\$ 17,518	\$ (233)
Fringe benefits.....	5,763	5,774	(11)
Travel.....	1,500	1,442	58
Operating services.....	5,895	5,974	(79)
Operating supplies.....	557	557	-
Professional services.....	1,028	1,006	22
Other costs.....	372	129	243
Contracted services.....	550,745	550,745	-
	<u>\$ 583,145</u>	<u>\$ 583,145</u>	<u>\$ -</u>

Continued...

	Budget	Actual	Variance - Favorable (Unfavorable)
TITLE III PART F, DISEASE			
PREVENTION/HEALTH PROMOTION			
Salaries.....	\$ 5,000	\$ 5,320	\$ (320)
Fringe benefits.....	776	851	(75)
Travel.....	200	-	200
Operating supplies.....	129	86	43
Materials.....	528	361	167
Other costs.....	310	325	(15)
Contracted services.....	18,975	18,975	-
	<u>\$ 25,918</u>	<u>\$ 25,918</u>	<u>\$ -</u>

**TITLE III C-1 (CATERED MEALS
AND SERVICES)**

Congregate Meal Program:

Catered meals:

Raw food..... \$ 179,877 \$ 176,138 \$ 3,739

Labor and non-edibles..... 162,442 155,001 7,441

Contracted services..... 252,481 252,481 -

\$ 594,800 \$ 583,620 \$ 11,180

**TITLE III C-2 (CATERED MEALS
AND SERVICES)**

Home Delivered Meal Program:

Catered meals:

Raw foods..... \$ 339,939 \$ 336,419 \$ 3,520

Labor and non-edibles..... 448,997 446,979 2,018

Contracted services..... 249,014 249,014 -

\$ 1,037,950 \$ 1,032,412 \$ 5,538

TITLE III-D

Contracted services..... \$ 16,264 \$ 16,264 \$ -

\$ 16,264 \$ 16,264 \$ -

U.S.D.A.

Transfers to other programs:

Title III C-1 Congregate Meals.. \$ 95,752 \$ 84,572 \$ 11,180

Title III C-2 Home Delivered

Meals..... 186,342 180,148 6,194

\$ 282,094 \$ 264,720 \$ 17,374

Continued...

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
SENIOR CENTER			
Contracted services.....	\$ 266,937	\$ 266,937	\$ -
	<u>\$ 266,937</u>	<u>\$ 266,937</u>	<u>\$ -</u>
SUPPLEMENTAL SENIOR CENTER			
Contracted services.....	\$ 27,000	\$ 27,000	\$ -
	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>\$ -</u>
AUDIT			
Professional services.....	\$ 3,478	\$ 3,478	\$ -
Contracted services.....	10,812	10,812	-
	<u>\$ 14,290</u>	<u>\$ 14,290</u>	<u>\$ -</u>
UNITED WAY			
Contracted services.....	\$ 5,226	\$ 5,226	\$ -
Transfers to other programs:			
Title III C-1 Area Agency Admin- istration.....	8,409	8,409	-
Title III C-2.....	114,926	114,926	-
	<u>\$ 128,561</u>	<u>\$ 128,561</u>	<u>\$ -</u>
UTILITY RELIEF			
Contracted services.....	\$ -	\$ 15,184	\$ (15,184)
	<u>\$ -</u>	<u>\$ 15,184</u>	<u>\$ (15,184)</u>
ELDERLY PROTECTIVE SERVICES			
Salaries.....	\$ 9,525	\$ 10,324	\$ (799)
Fringe benefits.....	2,403	2,889	(486)
Travel.....	390	579	(189)
Operating services.....	7,213	5,549	1,664
Operating supplies.....	500	737	(237)
Professional services.....	700	620	80
Other costs.....	-	33	(33)
Contracted services.....	231,382	231,382	-
	<u>\$ 252,113</u>	<u>\$ 252,113</u>	<u>\$ -</u>

Continued...

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
OTHER PROGRAMS			
Other costs.....	\$ -	\$ 95	\$ (95)
Transfers to other programs:			
Title III C-1 Area Agency Admin- istration.....	<u>9,040</u>	<u>5,562</u>	<u>3,478</u>
	<u>\$ 9,040</u>	<u>\$ 5,657</u>	<u>\$ 3,383</u>
TOTAL EXPENDITURES.....	\$ 3,404,537	\$ 3,377,235	\$ 27,302
LESS PROGRAM TRANSFERS.....	<u>(415,589)</u>	<u>(393,617)</u>	<u>(21,972)</u>
EXPENDITURES NET OF PROGRAM TRANSFERS.....	<u>\$ 2,988,948</u>	<u>\$ 2,983,618</u>	<u>\$ 5,330</u>

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

June 30, 1999 and 1998

	Balance June 30, 1998	Reclass- ifications	Additions	Deletions	Balance June 30, 1999
OFFICE EQUIPMENT					
Computer equipment.....	\$ 19,036	-	-	\$ 4,780	\$ 14,256
Typewriters and calculators.....	2,795	-	-	-	2,795
Copier and other office machines.....	18,026	-	-	229	17,797
	<u>39,857</u>	<u>-</u>	<u>-</u>	<u>5,009</u>	<u>34,848</u>
OFFICE FURNITURE AND FIXTURES					
Office furniture.....	8,592	-	-	64	8,528
Filing cabinets and bookcases.....	3,643	-	-	-	3,643
Miscellaneous fixtures.....	701	-	-	-	701
	<u>12,936</u>	<u>-</u>	<u>-</u>	<u>64</u>	<u>12,872</u>
TOTAL GENERAL FIXED ASSETS.....	\$ 52,793	\$ -	\$ -	\$ 5,073	\$ 47,720
INVESTMENT IN GENERAL FIXED ASSETS:					
Title III C-1 Area Agency Administration....	\$ 27,668	-	-	\$ 4,844	\$ 22,824
Title III C-1.....	10,162	-	-	-	10,162
State Adult Protective Services.....	9,309	-	-	229	9,080
Title III, Part F Disease Prevention/Health Promotion.....	376	-	-	-	376
Local.....	5,278	-	-	-	5,278
TOTAL INVESTMENT IN GENERAL FIXED ASSETS.....	\$ 52,793	\$ -	\$ -	\$ 5,073	\$ 47,720

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

For The Year Ended June 30, 1999

INFORMATION AND ASSISTANCE, OUTREACH, TRANSPORTATION & CASE MGMT	LEGAL AND SERVICES OTHER IN COMMUNITY		IN-HOME	DISEASE PREVENTION	SENIOR CENTER OPERATIONS	CONGREGATE MEALS	HOME DELIVERED MEALS	UTILITY RELIEF	ELDERLY PROTECTIVE SERVICES	AUDIT	TOTAL
	MISC	COMMUNITY									
Ascension Council on Aging, Inc.....	\$ -	\$ 4,610	\$ 5,543	\$ 1,828	\$ 31,660	\$ 18,708	\$ 27,221	\$ 6,180	\$ -	\$ 1,040	\$ 130,025
Assumption Council on Aging, Inc.....	-	11,085	19,009	1,336	-	24,366	8,227	-	-	761	107,787
Capital Area Legal Services, Inc.....	12,372	-	-	-	-	-	-	-	134,190	-	146,562
E. Feliciana Council on Aging, Inc.....	-	13,555	4,940	1,352	1,383	13,754	33,277	1,640	-	770	118,219
Iberville Council on Aging, Inc.....	-	4,443	5,205	2,095	14,707	29,109	23,026	1,868	-	1,194	145,446
Pointe Coupee Council on Aging, Inc.....	-	3,584	19,769	1,932	11,028	39,455	4,543	1,701	-	1,101	128,214
St. Helena Council on Aging, Inc.....	-	20,121	5,490	1,070	3,202	17,817	24,077	-	-	610	89,772
Southeast La. Legal Services Corp.....	10,241	-	-	-	-	-	-	-	97,192	-	107,433
Tangipahoa Council on Aging, Inc.....	-	1,792	21,492	4,446	-	53,700	51,416	-	-	2,534	292,403
Washington Council on Aging, Inc.....	-	5,162	17,115	3,076	-	39,708	58,568	-	-	1,753	228,710
W. B. R. Council on Aging, Inc.....	-	9,777	922	889	-	13,336	10,050	3,249	-	507	80,403
W. Feliciana Council on Aging, Inc.....	21,862	5,779	2,348	951	13,478	8,890	14,650	546	-	542	69,046
\$ 573,957	\$ 22,613	\$ 79,908	\$ 101,833	\$ 18,975	\$ 75,458	\$ 258,843	\$ 255,055	\$ 15,184	\$ 231,382	\$ 10,812	\$ 1,644,020

**CAPITAL AREA AGENCY ON AGING -
DISTRICT II, INC.
SCHEDULE OF PRIORITY SERVICES
TITLE III-B - GRANT FOR SUPPORTIVE SERVICES
For the Year Ended June 30, 1999**

	AMOUNT	TOTAL	% of GOEA Grant
Access (30%): Assisted transportation....	\$ -		
Case management.....	34,322		
Transportation.....	492,476		
Information & assistance...	66,814		
Outreach.....	12,745		
Total access expenses....		\$ 606,357	<u>137.02%</u>
 In-Home (15%): Homemaker.....	 54,725		
Chore.....	10,221		
Telephoning.....	15,191		
Visiting.....	-		
Adult/daycare/health.....	-		
Personal care.....	-		
Total in-home expenses...		80,137	<u>18.11%</u>
 Legal (5%): Legal assistance.....		 22,613	 <u>5.11%</u>
 Non-priority services.....		 79,908	
 Total III-B - supportive services expenditures.....		 789,015	
 less: Participant contributions.....		 -	
Other public support.....		-	
Transfers in.....		(205,870)	
 Title III-B - supportive services grant...		 583,145	
 Less: Transfers of contract allotments...		 -	
State homemaker.....		-	
State transportation.....		(140,605)	
		(140,605)	
 Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments.....		 \$ <u>442,540</u>	

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 1999

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>TOTAL FEDERAL EXPENDITURES</u>	<u>DIRECT AGENCY EXPENDITURES</u>	<u>ASCENSION COUNCIL ON AGING, INC.</u>	<u>ASSUMPTION COUNCIL ON AGING, INC.</u>	<u>CAPITAL AREA LEGAL SERVICES, INC.</u>
<u>U.S. Department of Health and Human Services</u>						
Passed Through the Louisiana Governor's Office Of Elderly Affairs:						
Special Programs for the Aging:						
Title III, Part B Supportive Services.....	93.044	\$ 376,159	\$ 27,539	\$ 31,724	\$ 23,192	\$ 10,516
Title III, Part C-Area Agency Administration.....	93.045	109,602	109,602	-	-	-
Title III, Part C-1 Nutritional Services Congregate Meals.....	93.045	376,923	130,419	18,333	22,963	-
Title III, Part C-2 Nutritional Services Home Delivered Meals.....	93.045	197,485	122,016	11,863	2,258	-
Total Title III, Part C	93.045	<u>684,010</u>	<u>362,037</u>	<u>30,196</u>	<u>25,221</u>	-
Title III, Part D In-Home Services.....	93.046	13,824	-	1,331	973	-
Title III, Part F Disease Prevention and Health Promotion Services.....	93.043	22,031	5,901	1,554	1,136	-
<u>U.S. Department of Agriculture</u>						
Passed Through the Louisiana Governor's Office of Elderly Affairs:						
U.S.D.A. - Cash-in-lieu of commodities.....	10.570	264,720	264,720	-	-	-
		<u>\$ 1,360,744</u>	<u>\$ 660,197</u>	<u>\$ 64,805</u>	<u>\$ 50,522</u>	<u>\$ 10,516</u>

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

----- PASSED THROUGH TO SUBRECIPIENTS -----

EAST FELICIANA COUNCIL ON AGING, INC.	IBERVILLE COUNCIL ON AGING, INC.	POINTE COUPEE COUNCIL ON AGING, INC.	ST. HELENA COUNCIL ON AGING, INC.	SOUTHEAST LEGAL SERVICES CORP.	TANGIPAHOA COUNCIL ON AGING, INC.	WASHINGTON COUNCIL ON AGING, INC.	WEST BATON ROUGE COUNCIL ON AGING, INC.	WEST FELICIANA COUNCIL ON AGING, INC.
\$ 23,462	\$ 36,366	\$ 33,541	\$ 18,578	\$ 8,705	\$ 77,202	\$ 53,396	\$ 15,432	\$ 16,506
-	-	-	-	-	-	-	-	-
13,478	28,525	38,664	15,635	-	52,623	34,502	13,069	8,712
-	478	3,862	-	-	28,870	19,968	1,998	6,172
<u>13,478</u>	<u>29,003</u>	<u>42,526</u>	<u>15,635</u>	<u>-</u>	<u>81,493</u>	<u>54,470</u>	<u>15,067</u>	<u>14,884</u>
984	1,527	1,408	779	-	3,240	2,241	648	693
1,149	1,781	1,642	910	-	3,779	2,615	756	808
-	-	-	-	-	-	-	-	-
<u>\$ 39,073</u>	<u>\$ 68,677</u>	<u>\$ 79,117</u>	<u>\$ 35,902</u>	<u>\$ 8,705</u>	<u>\$ 165,714</u>	<u>\$ 112,722</u>	<u>\$ 31,903</u>	<u>\$ 32,891</u>

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

CERTIFIED PUBLIC ACCOUNTANTS
4911 BENNINGTON AVENUE
BATON ROUGE, LOUISIANA 70808-3153
(225) 925-1120
FACSIMILE (225) 927-8124

WENDEL FOUSHEE, CPA
CHARLES S. COMEAUX, JR., CPA
MICHAEL A. THAM, CPA
ROBERT L. STAMEY, CPA

RAYMOND P. PRINCE, CPA
SYLVIA M. KIDDER, CPA

MEMBERS - SEC AND
PRIVATE COMPANIES PRACTICE
SECTIONS OF THE AMERICAN
INSTITUTE OF CPAs

EID #72-0454386

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the general purpose financial statements of Capital Area Agency on Aging - District II, Inc., as of and for the year ended June 30, 1999, and have issued our report thereon dated November 2, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Capital Area Agency on Aging - District II, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

Continued...

control over financial reporting and its operation that we consider to be material weaknesses.

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

L.A. Champagne & Co. LLP

November 2, 1999

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

CERTIFIED PUBLIC ACCOUNTANTS
4911 BENNINGTON AVENUE
BATON ROUGE, LOUISIANA 70808-3153
(225) 925-1120
FACSIMILE (225) 927-8124

WENDEL FOUSHEE, CPA
CHARLES S. COMFAUX, JR., CPA
MICHAEL A. THAM, CPA
ROBERT L. STAMEY, CPA

RAYMOND P. PRINCE, CPA
SYLVIA M. KIDDER, CPA

MEMBERS - SEC AND
PRIVATE COMPANIES PRACTICE
SECTIONS OF THE AMERICAN
INSTITUTE OF CPAs

EID #72-0454386

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

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

Compliance

We have audited the compliance of Capital Area Agency on Aging - District II, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. Capital Area Agency on Aging - District II, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the management of Capital Area Agency on Aging - District II, Inc. Our responsibility is to express an opinion on Capital Area Agency on Aging - District II, Inc.'s compliance based on our audit.

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

In our opinion, Capital Area Agency on Aging - District II, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Continued...

Internal Control Over Compliance

The management of Capital Area Agency on Aging - District II, 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 our audit, we considered Capital Area Agency on Aging - District II, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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


November 2, 1999

CAPITAL AREA AGENCY ON AGING - DISTRICT II, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 1999

A: SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Capital Area Agency on Aging - District II, Inc.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards."
3. No instances of noncompliance material to the general purpose financial statements of Capital Area Agency on Aging - District II, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for Capital Area Agency on Aging - District II, Inc. expresses an unqualified opinion.
6. Audit findings relative to the major federal award programs for Capital Area Agency on Aging - District II, Inc. are reported in Part C of this Schedule.
7. The programs tested as major programs are as follows:
 - U. S. Department of Health and Human Services
Special Programs for the Aging:
Title III-C - Nutritional Services; CFDA# 93.045
 - U. S. Department of Agriculture
U.S.D.A. - Cash-in-lieu of Commodities; CFDA# 10.570
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Capital Area Agency on Aging - District II, Inc. was determined to be a low-risk auditee.

B: FINDINGS - FINANCIAL STATEMENTS AUDIT

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

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

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