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Release Date FEB 4 1999

Financial Report

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

June 30, 1998

PARISH CLERK OF COURT

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Legislative Auditor

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Hahnville, Louisiana

June 30, 1998

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
St. Charles Council on Aging, Inc.  
Hahnville, Louisiana.

I have audited the accompanying general-purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, 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. Charles Council on Aging, Inc., Hahnville, 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 October 1, 1998, on my consideration of the St. Charles 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. Charles Council on Aging, Inc., Hahnville, 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 A. Furman, CPA*

Baton Rouge, Louisiana,  
October 1, 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. Charles Council on Aging, Inc.  
Hahnville, Louisiana.

I have audited the general-purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated October 1, 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. Charles 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 an immaterial instance of noncompliance that I have reported to the board of directors of the St. Charles Council on the Aging, Inc., in a separate letter dated October 13, 1998.

## Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. Charles 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. My 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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. Ferman, CPA*

Baton Rouge, Louisiana,  
October 1, 1998.

## COMBINED BALANCE SHEET -- ALL FUND TYPES AND ACCOUNT GROUPS

St. Charles Council on Aging, Inc.  
Hahnville, 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	\$ 7,368	\$ 18,052	\$ 0	\$ 0	\$ 25,420	\$ 33,960
Investments	635,388	0	0	0	635,388	517,054
Property tax receivable	12,848	0	0	0	12,848	0
Interest receivable	1,644	0	0	0	1,644	1,645
Government grants receivable	0	4,950	0	0	4,950	7,432
Accounts receivable	23,666	0	0	0	23,666	7,592
Insurance receivable	0	0	0	0	0	713
Due from employees	16	0	0	0	16	0
Prepaid expenses	7,007	0	0	0	7,007	2,440
Due from Special Revenue funds	4,309	0	0	0	4,309	6,891
<b>Restricted assets:</b>						
Cash	0	1,777	0	0	1,777	1,342
Van purchase deposits	17,670	0	0	0	17,670	13,891
Fixed assets	0	0	289,734	0	289,734	215,980
<b>Other debts:</b>						
Amount to be provided to retire long-term debt	0	0	0	25,664	25,664	10,158
<b>Total assets and other debts</b>	<b>\$ 709,916</b>	<b>\$ 24,779</b>	<b>\$ 289,734</b>	<b>\$ 25,664</b>	<b>\$ 1,050,093</b>	<b>\$ 819,098</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 9,591	\$ 4,425	\$ 0	\$ 0	\$ 14,016	\$ 3,477
Accrued salaries	1,758	12,541	0	0	14,299	11,764
Unremitted employee payroll deductions	172	0	0	0	172	205
Accrued payroll tax	158	1,086	0	0	1,244	1,285
State income tax withheld	1,575	0	0	0	1,575	1,336
Due to General Fund	0	4,309	0	0	4,309	6,891
<b>Long-term debt:</b>						
Capital lease obligation	0	0	0	17,143	17,143	3,558
Accumulated, unpaid vacation	0	0	0	8,521	8,521	6,600
<b>Total liabilities</b>	<b>13,254</b>	<b>22,361</b>	<b>0</b>	<b>25,664</b>	<b>61,279</b>	<b>35,116</b>
<b>Fund Equity and Other Credits:</b>						
<b>Fund balances:</b>						
<b>Reserved for:</b>						
Utility assistance	0	1,777	0	0	1,777	1,342
Prepaid expenses	7,007	0	0	0	7,007	2,440
Vehicle purchase commitments	27,670	0	0	0	27,670	13,891
Unreserved - undesignated	641,095	641	0	0	641,736	548,970
Unreserved - designated	20,890	0	0	0	20,890	1,359
Investment in general fixed assets	0	0	289,734	0	289,734	215,980
<b>Total fund equity and other credits</b>	<b>696,662</b>	<b>2,418</b>	<b>289,734</b>	<b>0</b>	<b>988,814</b>	<b>783,982</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 709,916</b>	<b>\$ 24,779</b>	<b>\$ 289,734</b>	<b>\$ 25,664</b>	<b>\$ 1,050,093</b>	<b>\$ 819,098</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. Charles Council on Aging, Inc.  
Hahnville, 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>				
Property taxes	\$ 610,663	\$ 0	\$ 610,663	\$ 629,720
Intergovernmental	11,779	229,610	241,389	202,150
Public support	21,514	38,237	59,751	53,449
Interest income	30,814	0	30,814	20,656
Program service fees	76,219	0	76,219	17,434
Miscellaneous	1,699	50	1,749	2,715
<b>Total revenues</b>	<b>752,688</b>	<b>267,897</b>	<b>1,020,585</b>	<b>926,124</b>
<b>EXPENDITURES</b>				
Current:				
Salaries	45,323	303,951	349,274	278,185
Fringe	3,693	25,842	29,535	24,993
Travel	309	3,916	4,225	2,190
Operating services	31,393	162,241	193,634	147,605
Operating supplies	11,974	41,591	53,565	42,848
Other costs	23,038	48,854	71,892	57,754
Meals	0	110,895	110,895	99,560
Capital outlay	54,273	32,412	86,685	2,670
Utility assistance	0	3,855	3,855	3,780
Debt service:				
Principal retirement	4,591	0	4,591	4,042
Interest expense	1,102	0	1,102	1,317
<b>Total expenditures</b>	<b>175,696</b>	<b>733,557</b>	<b>909,253</b>	<b>664,944</b>
<b>Excess of revenues over(under) expenditures</b>	<b>576,992</b>	<b>(465,660)</b>	<b>111,332</b>	<b>261,180</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	12,390	498,743	511,133	433,890
Operating transfers out	(478,485)	(32,648)	(511,133)	(433,890)
Proceeds from capital lease obligation	19,746	0	19,746	0
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>130,643</b>	<b>435</b>	<b>131,078</b>	<b>261,180</b>
<b>FUND BALANCES</b>				
Beginning of year	566,019	1,983	568,002	304,822
End of year	\$ 696,662	\$ 2,418	\$ 699,080	\$ 566,002

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. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
<b>REVENUES</b>			
Property taxes	\$ 589,617	\$ 610,663	\$ 21,046
Intergovernmental	11,779	11,779	0
Public support	20,000	21,514	1,514
Interest income	6,637	30,814	24,177
Program service fees	76,962	76,219	(743)
Miscellaneous	0	1,699	1,699
<b>Total revenues</b>	<b>704,995</b>	<b>752,688</b>	<b>47,693</b>
<b>EXPENDITURES</b>			
Current:			
Salaries	49,723	45,323	4,400
Fringe	7,559	3,693	3,866
Travel	311	309	2
Operating services	29,984	31,393	(1,409)
Operating supplies	8,370	11,974	(3,604)
Other costs	21,646	23,038	(1,392)
Capital outlay	27,500	54,273	(26,773)
Debt service:			
Principal retirement	4,583	4,591	(8)
Interest	951	1,102	(151)
<b>Total expenditures</b>	<b>150,627</b>	<b>175,696</b>	<b>(25,069)</b>
<b>Excess of revenues over(under) expenditures</b>	<b>554,368</b>	<b>576,992</b>	<b>22,624</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	17,138	12,390	(4,748)
Operating transfers out	(491,467)	(478,485)	12,982
Proceeds from capital operating lease	0	19,746	19,746
<b>Excess of revenues and other sources over(under) expenditures and other uses</b>	<b>80,039</b>	<b>130,643</b>	<b>\$ 50,604</b>
<b>FUND BALANCE</b>			
Beginning of year	566,019	566,019	
End of year	\$ 646,058	\$ 696,662	

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. Charles Council on Aging, Inc.  
 Hahhville, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
	-----	-----	-----
<b>REVENUES</b>			
-----			
Intergovernmental	\$ 206,939	\$ 229,610	\$ 22,671
Public support	33,015	38,237	5,222
Miscellaneous	0	50	50
	-----	-----	-----
Total revenues	239,954	267,897	27,943
	-----	-----	-----
<b>EXPENDITURES</b>			
-----			
Current:			
Salaries	292,989	303,951	(10,962)
Fringe	31,353	25,842	5,511
Travel	4,053	3,916	137
Operating services	154,680	162,241	(7,561)
Operating supplies	48,215	41,591	6,624
Other costs	71,193	48,854	22,339
Meals	107,100	110,895	(3,795)
Capital outlay	0	32,412	(32,412)
Utility assistance	4,700	3,855	845
	-----	-----	-----
Total expenditures	714,283	733,557	(19,274)
	-----	-----	-----
Excess of revenues over(under) expenditures	(474,329)	(465,660)	8,669
	-----	-----	-----
<b>OTHER FINANCING SOURCES (USES)</b>			
-----			
Operating transfers in	516,129	498,743	(17,386)
Operating transfers out	(41,800)	(32,648)	9,152
	-----	-----	-----
Excess of revenues and other sources over(under) expenditures and other uses	0	435	\$ 435
	-----	-----	=====
<b>FUND BALANCES</b>			
-----			
Beginning of year	1,983	1,983	
	-----	-----	
End of year	\$ 1,983	\$ 2,418	
	=====	=====	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

St. Charles Council on Aging, Inc.  
Hahnville, 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. Charles Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of the St. Charles 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, information and assistance services, legal assistance, homemaker services, case management, outreach, in-home services, operating senior centers, and transportation. A Board of Directors, consisting of 13 voluntary members who serve three-year terms, governs the Council.

The St. Charles 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

Revenues, such as; donations from the general public, allocations from the United Way, proceeds from a property tax assessment by St. Charles Parish, interest income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets, have been recorded in the local program of the General Fund. Money contributed that has been restricted by the donors for use in paying for the costs of participating in the Senior Olympics program is also accounted for in this fund. Further, program participants generate funds from the sale of coffee, cokes, and other items at the senior centers which are accounted for as local program revenues (miscellaneous income). Finally, the Council's management has designated certain funds that are received to pay for expenses associated with emergency medical assistance needs of program participants, and transactions relating to this service are accounted for in the local program.

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

c. Fund Accounting: - (continued)

● General Fund - (continued)

Local

Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). 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 the Title III B fund to provide additional funds to pay for program costs.

Local Transportation

The Local Transportation program of the General Fund accounts for revenues earned from providing local transportation services and the expenses incurred to produce those revenues. The transportation services provided in this program differ from those provided in the Title III B Program in that participants in this program do not have to be at least 60 years old which is required of Title III B participants.

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

c. Fund Accounting: - (continued)

● General Fund - (continued)

Elderly Waiver

The Elderly Waiver program of the General Fund accounts for revenues paid by the Department of Health and Hospitals for Medicaid case management services and for assisting clients with filing Medicaid waiver applications, and for the expenses incurred to produce these revenues.

● Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes. A large percentage 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 Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The following funds 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 supportive services, such as; information and assistance, homemaker services, outreach services, chore services, legal services, case management, senior center operation, and transportation for people age 60 or older.



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

c. Fund Accounting: (continued)

● Special Revenue Funds - (continued)

Title III B Ombudsman Fund

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

Title III C Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for some of the costs of administering the Special Programs for the Aging. These funds are allocated 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 18,260 meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Using Title III C-2 funds the Council served 29,075 meals during the year to people eligible to participate in this program.

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

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.

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."

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of Nutrition Program for the Elderly funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 56 cents/meal) for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these nutrition programs.

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

c. Fund Accounting: (continued)

● Special Revenue Funds - (continued)

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides 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.

Audit Fund

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

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to St. Charles Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

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

c. Fund Accounting: (continued)

• Special Revenue Funds - (continued)

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. St. Charles 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. The Council used these funds to supplement Title III B supportive services.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under various capital assistance programs. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. The Council acquired two vehicles under this program during the fiscal year. The Council has entered into contracts with the Louisiana DOTD to acquire two new vans in fiscal year 1999.

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. Charles 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 measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

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 judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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

f. Transfers and Interfund Loans:

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

g. Budget Policy:

The Council follows these procedures in establishing the budgetary data reflected in Exhibits C and D of these financial statements.

- The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.
- 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.
- Projections are made of property tax revenues based on past trends and data available to form expectations of future revenues.
- The Council's executive director prepares a proposed budget based on the funding levels provided by GOEA and other agencies, as well as expected revenues from property tax revenues and public support, and then submits the budget to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval before June 30.

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

g. Budget Policy: - (continued)

- Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There were two amendments during the fiscal year, the last one which being effective May 14, 1998. The budget amendments were approved by the Council's board of directors and by GOEA using a similar procedure as the approval of the original budget.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs (GOEA) for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.

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

g. Budget Policy: - (continued)

- The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some General Fund activities may not be budgeted, particularly if they are deemed to be immaterial by management.

h. Investments:

Investments in certificates of deposit are reported at cost. However, investments which include securities traded on a national or international exchange are valued based on their last reported sales price (fair value). Investments that do not have an established market are reported at estimated fair value.

i. Prepaid Expenses:

The Council has elected not to expense amounts paid for future services until those services are consumed to comply with the cost reimbursement terms of grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

j. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of at least 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)

j. Fixed Assets: - (continued)

Capital leases are recorded at the inception of the lease as capital outlay expenditures and other financing sources in governmental fund types and as assets and liabilities in the General Fixed Asset and General Long-term Debt accounts groups, respectively, at the present value of the minimum lease payments, using the interest rates stated in the leases. Lease payments are recorded as expenditures on the due date; the portion of the payments applicable to principal, determined by using interest rates implicit in the lease, is reported as a reduction of the capitalized lease obligation in the General Long-term Debt account group.

k. Restricted Assets:

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

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. At June 30, 1998, \$20,000 was designated for the Safe Harbor program and \$890 was designated for emergency medical assistance to elderly people.

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

m. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. These amounts will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee.

n. Comparative Data:

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

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

o. Related Party Transactions:

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

p. 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, Public Support, Interest Income, Miscellaneous Revenues, and Program Service Fees

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 revenue in the period received.

Note 3 - Revenue Recognition - Property Tax

The Council on Aging receives funds from a property tax which was adopted by the voters of St. Charles Parish for the purpose of operating and maintaining programs for the elderly in the parish. The property tax was initially passed in 1989 and was renewed again in fiscal year 1998. The tax will be assessed through the year 2007. The property tax, a .98 mill assessment, is levied each year by the St. Charles Parish Council on November 15 based upon the assessed value (approximately \$603 million after homestead exemption) on the previous January 1 of all real property owned within the Parish. The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most of the property tax revenues are collected during the months of December, January, and February. The St. Charles Parish Council acts as the collection agent for these taxes.

After considering tax exemptions, the net amount of tax payable to the Council on Aging was \$602,700. However, the Council on Aging does not ultimately receive all of this money. Some taxes are not paid and the Parish Council withholds some of the collected amounts to pay for certain expenses that are attributable to the Council on Aging. The net proceeds are forwarded to the Council on Aging for its use and are recorded as revenue by it upon receipt. The Council on Aging has also accrued as current year revenues any amounts collected but not remitted by the St. Charles Parish Council as of June 30. The reason the Council on Aging has accrued these amounts is because it has immediate access to the funds if it desires to ask for the money. At June 30, 1998, the St. Charles Parish Council had not remitted \$12,848 of collected property taxes.

Note 4 - Cash

One of the Council's two checking accounts serves as a consolidated bank account. The consolidated bank account serves as a means for paying all of the bills and depositing most of the money collected by the Council. This account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to temporarily cover any negative cash balances in other funds.

At June 30, 1998, the carrying amount of the Council's cash balances on the books, including \$200 of petty cash, was \$27,197 whereas the related bank balances were \$69,827. The difference in the carrying amount and bank balances for cash relate primarily to deposits made and checks written which did not clear the bank accounts by June 30, 1998. All bank balances were covered by federal depository insurance. Accordingly, the bank balances are classified as "Category 1" balances in accordance with GASB Statement 3.

Note 5 - Investments

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

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

Note 5 - Investments - (continued)

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

At June 30, 1998, investments consisted of the following:

<u>Type of Investment</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
FNB of St. Charles Parish:			
Certificate of deposit	\$ 10,000	5.20%	11/29/98
Certificate of deposit	40,000	4.68%	07/10/98
Certificate of deposit	40,000	4.75%	08/10/98
Certificate of deposit	40,000	4.72%	09/10/98
Certificate of deposit	40,000	4.69%	10/10/98
Certificate of deposit	40,000	4.73%	11/10/98
Certificate of deposit	40,000	4.74%	12/10/98
Certificate of deposit	40,000	5.20%	01/19/99
Certificate of deposit	40,000	4.95%	07/28/99
Certificate of deposit	12,600	5.50%	12/10/98
First National Bank of Commerce:			
Certificate of deposit	30,000	5.25%	07/21/99
Certificate of deposit	60,000	5.11%	03/16/99
Certificate of deposit	60,000	5.11%	03/16/99
Mutual Savings and Loan:			
Certificate of deposit	45,000	5.97%	01/21/00
Certificate of deposit	45,000	5.97%	01/21/00
Hibernia National Bank:			
Certificate of deposit	<u>52,788</u>	5.00%	03/07/99
Total investments	\$635,388		=====

The certificates of deposit represent nonparticipating interest-earning investment contracts as described in GASB 31. Accordingly, they have been reported at cost in these financial statements.

At June 30, 1998, \$314,724 of the invested funds were covered by federal depository insurance (Category 1) but \$320,664 were not covered. Although the FNB of St. Charles has pledged securities to cover the \$270,664 of uninsured funds in its bank, GASB Statement 3 categorizes the \$270,664 as uncollateralized because the pledged securities are held by the bank's agent and are not registered in the Council's name. In addition, \$50,000 of the total amount invested in certificates of deposit at the First National Bank of Commerce is unsecured (Category 3).

Note 5 - Investments - (continued)

Management intends to hold all investments until their maturity. During the fiscal year, the Council's only investment activity consisted of buying certificates of deposit and holding them to maturity.

Note 6 - Government Grants Receivable

Government grants receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available as of year end. Government grants receivable at June 30, 1998, consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
U.S.D.A.	GOEA	Special Revenue	\$4,950
			=====

Note 7 - Changes in Fixed Assets

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

	Balance June 30, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1998</u>
Vehicle	\$171,884	\$54,859	\$ -	\$226,743
Office furniture and equipment	20,576	3,490	-	24,066
Nutrition equipment	4,520	-	-	4,520
Recreation equipment	1,961	639	(639)	1,961
Buildings	4,746	7,952	-	12,698
Property leased under capital leases:				
Office equipment	<u>12,293</u>	<u>19,746</u>	<u>(12,293)</u>	<u>19,746</u>
 Total general fixed assets	 \$215,980 =====	 \$86,686 =====	 \$(12,932) =====	 \$289,734 =====

Donated assets represent \$4,000 of the June 30, 1998, total for fixed assets.

Note 8 - Prepaid Expenses

At June 30, 1998, prepaid expenses consisted of the following:

Insurance premiums	\$6,263
Dues, memberships and subscriptions	<u>    744</u>
Total prepaid expenses	\$7,007 =====

Note 9 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel expenses incurred in accordance with the Council's regular personnel policy.

Note 10 - In-Kind Contributions

The Council on Aging received various in-kind contributions during the year. The senior center/meal site locations in Luling and New Sarpy were furnished without charge for rent. However, the Council on Aging is responsible for paying the utility bill at these locations. The Council on Aging was furnished the use of Title V workers at no charge and the St. Charles Parish Council allowed the Council on Aging to buy gas from it at wholesale prices. These contributions, the values of which were not determined, have not been reported as revenues or offsetting expenses in these financial statements.

Note 11 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes 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 - 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>
Accumulated, unpaid vacation	\$ 6,600	\$ 1,921	\$ -	\$ 8,521
Capital lease obligations	<u>3,558</u>	<u>19,746</u>	<u>(6,161)</u>	<u>17,143</u>
Total long-term debt	\$10,158 =====	\$ 21,667 =====	\$(6,161) =====	\$25,664 =====

Note 13 - Lease Commitments

The Council leases from the St. Charles Parish School Board a building that houses the Council's main office and a cafeteria which is used as a senior center at 626 Pine, Hahnville, Louisiana, and a meal site known as the Norco Adult Learning Center in Norco, Louisiana. The terms of this lease required monthly payments of \$1,140 per month from July 1, 1996 to June 30, 1998. The Council is responsible for cleaning the facilities but the St. Charles Parish School Board (the lessor) pays for repairs, utilities, and liability insurance. The Council and the School Board have not yet signed another written lease to extend the term of the lease which expired June 30, 1998. Accordingly, until a new lease is negotiated, the Council is leasing these facilities under the same terms as the expired lease on a month to month basis. Management expects a new lease will be negotiated with the School Board for essentially the same terms as the expired lease.

During the fiscal year the Council also leased its senior center/meal site at Des Allemands, Louisiana, from the American Legion Baudoin Loupe for eight months at \$250 per month plus the cost of utilities. The senior center/meal site was moved to the St. Andrews Episcopal Church in March, 1998. This lease is also for \$250 per month plus the cost of utilities and can be terminated with a thirty (30) day written notice from either party. The lessor is responsible for insuring the building and making any repairs.



Note 13 - Lease Commitments - (continued)

In June, 1994, the Council entered into a lease for a telephone system. Terms of the lease required 48 monthly payments of \$250 beginning in July, 1994. The final payment was made in June, 1998. The Council retained title to this equipment at the end of the lease.

For fiscal year 1998 rent expense was \$16,680. Rent expense is included in the operating services category on the Statement of Revenues, Expenditures, and Changes in Fund Balance.

During fiscal year 1998 the Council entered into a lease-purchase agreement for a photocopier machine. Terms of this lease are as follows:

<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Date Payments Began</u>	<u>Imputed Interest Rate</u>	<u>Purchase Option</u>
\$496.30	42	12-30-97	8.930%	\$1,900

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

Fiscal year ending:		
June 30, 1999		\$ 5,956
June 30, 2000		5,956
June 30, 2001		<u>7,358</u>
Total minimum lease payments remaining		19,270
Less imputed interest		<u>(2,127)</u>
Present value of net minimum lease payments		\$17,143 =====

Note 14 - Judgments, Claims, and Similar Contingencies

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

Note 15 - Federal Award Programs

The Council participates in a number of 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 as to materially affect the Council's financial position. Any costs that might be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 16 - 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. 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 17 - Interfund Loans

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

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$4,309	\$ -
Special Revenue Funds:		
USDA	<u>          -</u>	<u>4,309</u>
Total	\$4,309 =====	\$4,309 =====

Note 18 - Interfund Transfers

Operating transfers in and out are listed by fund for the year as follows:

	FUNDS TRANSFERRED FROM					TOTAL
	GENERAL FUND		SPECIAL REVENUE FUNDS			
	LOCAL	PCOA	USDA	AUDIT	MISC. GRANT	
Funds Transferred In:						
General Fund:						
Transportation	\$12,241	\$ -	\$ -	\$ 149	\$ -	\$12,390
Total General Fund	12,241	-	-	149	-	12,390
Special Revenue Funds:						
IIIB Services	223,518	11,779	-	519	4,500	240,316
IIIB Ombudsman	2,779	-	-	8	-	2,787
Title C-1	70,274	-	10,277	258	-	80,809
Title C-2	132,355	-	16,613	324	-	149,292
Title III-D	2,171	-	-	-	-	2,171
Senior Center	23,368	-	-	-	-	23,368
Total Special Revenue Fund	454,465	11,779	26,890	1,109	4,500	498,743
Total All Funds	\$466,706	\$11,779	\$26,890	\$1,258	\$ 4,500	\$511,133

Note 19 - Risk Management

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

Note 20 - Purchase Commitments

The Council has entered into three agreements with the Louisiana Department of Transportation and Development (DOTD) to purchase three new vans. The Council is responsible for matching a portion of the purchase price of each van. The Council has remitted the required matching funds (\$17,670) as of June 30, 1998 for two of the three vans. For the third van, the Council has had one of its banks issue a \$10,000 irrevocable letter of credit in favor of DOTD for the required matching amount. The vans are expected to be delivered in fiscal year 1999.

SUPPLEMENTARY FINANCIAL INFORMATION

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

GENERAL FUND

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

Programs of the General Fund

	Local	PCOA	Local Transportation	Elderly Waiver	Total
<b>REVENUES</b>					
Property tax	\$ 610,663	\$ 0	\$ 0	\$ 0	\$ 610,663
Intergovernmental:					
Office of Elderly Affairs	0	11,779	0	0	11,779
Public support:					
United Way – unrestricted	20,000	0	0	0	20,000
General public – unrestricted	27	0	0	0	27
Donations – restricted for Senior Olympics	1,487	0	0	0	1,487
Interest Income	30,814	0	0	0	30,814
Program service fees:					
Dept. of Health & Hospitals	0	0	0	4,289	4,289
Office of Family Support	0	0	50,000	0	50,000
ARC	0	0	16,004	0	16,004
Vouchers	0	0	2,278	0	2,278
River Parishes Hospital	0	0	2,565	0	2,565
Other Local Agencies	0	0	1,083	0	1,083
Miscellaneous	1,699	0	0	0	1,699
<b>Total revenues</b>	<b>664,690</b>	<b>11,779</b>	<b>71,930</b>	<b>4,289</b>	<b>752,688</b>
<b>EXPENDITURES</b>					
Current:					
Salaries	0	0	43,833	1,490	45,323
Fringe	0	0	3,575	118	3,693
Travel	0	0	265	44	309
Operating services	4,026	0	27,168	199	31,393
Operating supplies	3,459	0	8,464	51	11,974
Other costs	21,852	0	1,015	171	23,038
Meals	0	0	0	0	0
Capital outlay	54,273	0	0	0	54,273
Debt service:					
Principal retirement	4,591	0	0	0	4,591
Interest expense	1,102	0	0	0	1,102
<b>Total expenditures</b>	<b>89,303</b>	<b>0</b>	<b>84,320</b>	<b>2,073</b>	<b>175,696</b>
Excess of revenues over(under) expenditures	575,387	11,779	(12,390)	2,216	576,992
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	0	0	12,390	0	12,390
Operating transfers out	(466,706)	(11,779)	0	0	(478,485)
Proceeds from capital lease obligation	19,746	0	0	0	19,746
Excess of revenues and other sources over(under) expenditures and other uses	128,427	0	0	2,216	130,643
<b>FUND BALANCES(DEFICIT)</b>					
Beginning of year	566,019	0	0	0	566,019
End of year	\$ 694,446	\$ 0	\$ 0	\$ 2,216	\$ 696,662

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS  
 St. Charles Council on Aging, Inc.  
 Hahnville, Louisiana  
 For the year ended June 30, 1998

	Title III B		Title III C			TITLE III D	TITLE III F	U.S.D.A.	Senior Center	Audr	Utility Assistance	Misc. Grant	F.T.A.	Totals
	Services	Ombudsman	Admin.	C-1	C-2									
<b>REVENUES</b>														
Intergovernmental:														
Office of Elderly Affairs	\$ 50,747	\$ 1,367	\$ 10,833	\$ 58,444	\$ 17,209	\$ 1,568	\$ 1,280	\$ 26,890	\$ 25,102	\$ 1,258	\$ 0	\$ 4,500	\$ 0	\$ 197,198
Department of Transportation and Development	0	0	0	0	0	0	0	0	0	0	0	0	0	32,412
Public Support:														
LP&L Helping Hands (via LACOA)	0	0	0	0	0	0	0	0	0	0	4,290	0	0	4,290
Client contributions	2,511	0	0	11,991	19,445	0	0	0	0	0	0	0	0	33,947
Miscellaneous:														
Guest meals	0	0	0	50	0	0	0	0	0	0	0	0	0	50
<b>Total revenues</b>	<b>53,258</b>	<b>1,367</b>	<b>10,833</b>	<b>68,485</b>	<b>36,654</b>	<b>1,568</b>	<b>1,280</b>	<b>26,890</b>	<b>25,102</b>	<b>1,258</b>	<b>4,290</b>	<b>4,500</b>	<b>32,412</b>	<b>267,897</b>
<b>EXPENDITURES</b>														
Current:														
Salaries	147,231	3,114	10,063	74,792	68,751	0	0	0	0	0	0	0	0	303,951
Fringe	12,606	250	770	6,283	5,933	0	0	0	0	0	0	0	0	25,842
Travel	1,821	77	0	930	1,088	0	0	0	0	0	0	0	0	3,916
Operating services	68,882	430	0	16,002	26,457	0	0	0	48,470	0	0	0	0	162,241
Operating supplies	28,019	100	0	3,842	9,205	0	425	0	0	0	0	0	0	41,591
Other costs	35,015	183	0	4,089	4,973	3,739	855	0	0	0	0	0	0	48,654
Meals	0	0	0	43,356	87,539	0	0	0	0	0	0	0	0	110,895
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	0	32,412	32,412
Utility assistance	0	0	0	0	0	0	0	0	0	3,855	0	0	0	3,855
<b>Total expenditures</b>	<b>293,574</b>	<b>4,154</b>	<b>10,833</b>	<b>149,294</b>	<b>185,946</b>	<b>3,739</b>	<b>1,280</b>	<b>0</b>	<b>48,470</b>	<b>0</b>	<b>3,855</b>	<b>0</b>	<b>32,412</b>	<b>733,557</b>
Excess of revenues over (under) expenditures	(240,316)	(2,787)	0	(80,809)	(149,292)	(2,171)	0	26,890	(23,368)	1,258	435	4,500	0	(465,660)
<b>OTHER FINANCING SOURCES (USES)</b>														
Operating transfers in	240,316	2,787	0	60,809	149,292	2,171	0	0	23,368	0	0	0	0	498,743
Operating transfers out	0	0	0	0	0	0	0	(26,890)	0	(1,258)	0	(4,500)	0	(32,648)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	0	0	0	0	0	0	435
<b>FUND BALANCE (DEFICIT)</b>														
Beginning of year	0	0	0	0	0	0	0	641	0	0	1,342	0	0	1,983
End of year	0	0	0	0	0	0	0	641	0	0	1,777	0	0	2,418

## SCHEDULE OF PROGRAM EXPENDITURES -- BUDGET VERSUS ACTUAL

## CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
<b>PCOA</b>			
Transfers to Title III B	\$ 11,779	\$ 11,779	\$ 0
Total	\$ 11,779	\$ 11,779	\$ 0
<b>TITLE III - B SUPPORTIVE SERVICES</b>			
Salaries	\$ 140,550	\$ 147,231	\$ (6,681)
Fringe	13,196	12,606	590
Travel	1,810	1,821	(11)
Operating services	67,658	68,882	(1,224)
Operating supplies	34,167	28,019	6,148
Other costs	59,623	35,015	24,608
Meals	0	0	0
Capital outlay	0	0	0
Totals	\$ 317,004	\$ 293,574	\$ 23,430
<b>TITLE III - B OMBUDSMAN</b>			
Salaries	\$ 3,926	\$ 3,114	\$ 812
Fringe	1,083	250	833
Travel	56	77	(21)
Operating services	430	430	0
Operating supplies	114	100	14
Other costs	219	183	36
Meals	0	0	0
Capital outlay	0	0	0
Totals	\$ 5,828	\$ 4,154	\$ 1,674
<b>TITLE III C - Area Agency Administration(AAA)</b>			
Salaries	\$ 10,063	\$ 10,063	\$ 0
Fringe	770	770	0
Travel	0	0	0
Operating services	0	0	0
Operating supplies	0	0	0
Other costs	0	0	0
Capital outlay	0	0	0
Totals	\$ 10,833	\$ 10,833	\$ 0



## SCHEDULE OF PROGRAM EXPENDITURES – BUDGET VERSUS ACTUAL

## CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance – Favorable (Unfavorable)
<b>TITLE III C-1</b>			
Salaries	\$ 73,538	\$ 74,792	\$ (1,254)
Fringe	8,199	6,283	1,916
Travel	1,120	930	190
Operating services	16,103	16,002	101
Operating supplies	4,733	3,842	891
Other costs	2,978	4,089	(1,111)
Meals:			
Raw food	19,948	20,421	(473)
Labor and non-edibles	21,820	22,935	(1,115)
Capital outlay	0	0	0
<b>Totals</b>	<b>\$ 148,439</b>	<b>\$ 149,294</b>	<b>\$ (855)</b>
<b>TITLE III C-2</b>			
Salaries	\$ 64,912	\$ 68,751	\$ (3,839)
Fringe	8,105	5,933	2,172
Travel	1,067	1,088	(21)
Operating services	30,238	28,457	1,781
Operating supplies	8,479	9,205	(726)
Other costs	4,248	4,973	(725)
Meals:			
Raw food	31,202	31,703	(501)
Labor and non-edibles	34,130	35,836	(1,706)
Capital outlay	0	0	0
<b>Totals</b>	<b>\$ 182,381</b>	<b>\$ 185,946</b>	<b>\$ (3,565)</b>
<b>TITLE III D</b>			
Other costs	\$ 2,925	\$ 3,739	\$ (814)
<b>Totals</b>	<b>\$ 2,925</b>	<b>\$ 3,739</b>	<b>\$ (814)</b>
<b>TITLE III F</b>			
Operating supplies	\$ 722	\$ 425	\$ 297
Other	1,200	855	345
<b>Totals</b>	<b>\$ 1,922</b>	<b>\$ 1,280</b>	<b>\$ 642</b>

## SCHEDULE OF PROGRAM EXPENDITURES – BUDGET VERSUS ACTUAL

## CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance— Favorable (Unfavorable)
<b>USDA</b>			
Transfers to Title III C-1	\$ 22,706	\$ 10,277	\$ 12,429
Transfers to Title III C-2	13,336	16,613	(3,277)
Totals	\$ 36,042	\$ 26,890	\$ 9,152
<b>SENIOR CENTER</b>			
Operating services	\$ 40,251	\$ 48,470	\$ (8,219)
Totals	\$ 40,251	\$ 48,470	\$ (8,219)
<b>AUDIT</b>			
Transfers out to:			
Title III B – Supportive Services	\$ 520	\$ 519	\$ 1
Title III B – Ombudsman	8	7	1
Title III C-1	264	259	5
Title III C-2	319	325	(6)
General Fund – Local Transportation Program	144	148	(4)
General Fund – Elderly Waiver Program	3	0	3
Totals	\$ 1,258	\$ 1,258	\$ 0
<b>MISCELLANEOUS GRANT</b>			
Transfer out to Title III– B Supportive Services	\$ 4,500	\$ 4,500	\$ 0
Totals	\$ 4,500	\$ 4,500	\$ 0

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

St. Charles Council on Aging, Inc.  
 Hahnville, Louisiana

For the year ended June 30, 1998

		Percent of GOEA Grant -----
Access(30%):		
Assisted Transportation	\$ 0	
Case Management	16,208	
Transportation	183,505	
Information & assistance	13,536	
Outreach	14,869	
	-----	
Total access expenses	228,118	706.44%
	-----	
In-Home(15%):		
Homemaker	21,064	
Chore	0	
Telephoning	0	
Visiting	0	
Adult daycare/health	0	
Personal Care	11,205	
	-----	
Total in-home expenses	32,269	99.93%
	-----	
Legal(5%):		
Legal Assistance	1,673	5.18%
	-----	
Non-priority services	31,514	
	-----	
Total Title III B -- Supportive Services Expenditures	293,574	
	-----	
Less: Participant contributions	(2,511)	
Other public support	0	
Transfers in	(240,316)	
	-----	
Title III B -- Supportive Services Grant	50,747	
	-----	
Less: Transfers of contract allotments	0	
State homemaker	0	
State transportation	(18,456)	
	-----	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments	\$ 32,291	
	=====	

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COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS AND CHANGES IN

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GENERAL FIXED ASSETS

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St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the year ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
	-----	-----	-----	-----
General fixed assets:				
Vehicles	\$ 171,884	\$ 54,859	\$ 0	\$ 226,743
Office furniture and equipment	20,576	3,490	0	24,066
Nutrition equipment	4,520	0	0	4,520
Recreation equipment	1,961	639	(639)	1,961
Buildings & building improvements	4,746	7,952	0	12,698
Property leased under capital leases:				
Office equipment	12,293	19,746	(12,293)	19,746
	-----	-----	-----	-----
Total general fixed assets	\$ 215,980	\$ 86,686	\$ (12,932)	\$ 289,734
	=====	=====	=====	=====
Investment in general fixed assets:				
Property acquired with funds from --				
FTA	\$ 91,510	\$ 32,412	\$ 0	\$ 123,922
General Funds	114,421	54,274	(12,932)	155,763
Title III B Supportive Services	884	0	0	884
Title III C-1	2,144	0	0	2,144
Title III C-2	817	0	0	817
Title III G	398	0	0	398
Senior Center	1,806	0	0	1,806
In-kind contributions	4,000	0	0	4,000
	-----	-----	-----	-----
Total investments in general fixed assets	\$ 215,980	\$ 86,686	\$ (12,932)	\$ 289,734
	=====	=====	=====	=====

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the Year Ended June 30, 1998

I have audited the financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 1, 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	___	Yes	_X_	No
Reportable Conditions	___	Yes	_X_	No

Compliance:

Compliance Material to Financial Statements	___	Yes	_X_	No
---	-----	-----	-----	----

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.

**Section II - Financial Statement Findings**

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

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

This section is not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the Year Ended June 30, 1998

Section I - Internal Control and Compliance Material to the  
Financial Statements

No findings were reported in the prior year.

Section III - Internal Control and Compliance Material to Federal  
Awards

No findings were reported in the prior year.

Section III - Management Letter

Item #: 1997-1

Description: The auditor recommended that expenditures for providing local transportation services for people who are not eligible to receive transportation under Title III B be accounted for separately. Also, separate accounting for the Elderly Waiver program expenditures was recommended by the auditor. When allocating indirect costs, the Local Transportation and Elderly Waiver programs must be included in the allocation formula.

Status: Resolved

Item #: 1997-2

Description: The auditor recommended that the payroll policy should be modified to comply with the requirement that salary and wage costs allocated to federal award programs be documented when employees work for more than one program.

Status: Resolved

Items #: 1997-3

Description: Financial institutions should collateralized the Council's deposits over \$100,000 with a pledge of securities.

Status: Partially resolved. See current year management letter item 1998-1.

# NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

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MEMBER OF THE  
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE  
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PHONE (504) 272-1177

## MANAGEMENT LETTER

October 1, 1998

To the Board of Directors,  
St. Charles Council on Aging, Inc.  
Hahnville, Louisiana.

I have audited the general-purpose financial statements of the St. Charles Council on Aging, Inc., Hahnville, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 1, 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 October 1, 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 matter which represents an immaterial instance of noncompliance.

1998-1 In the fiscal year 1997 management letter, I stated that funds on deposit with financial institutions should always be covered by FDIC insurance or the institution should be required by the Council's management to collateralize deposits over \$100,000 with a pledge of securities. During fiscal year 1998, the Council began purchasing certificates of deposit at the First National Bank of Commerce. At June 30, 1998, the Council had three CD's with a total value of \$150,000 at the First National Bank of Commerce, but had not obtained a pledge of securities for the uninsured \$50,000. Management should follow up on this matter with the bank and should not purchase CD's in excess of \$100,000 from any financial institution without obtaining sufficient collateralization at the time of purchase.

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*

Neil G. Ferrari  
Certified Public Accountant

NGF/tsf



MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Charles Council on Aging, Inc.  
Hahnville, Louisiana

For the Year Ended June 30, 1998

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

There were no findings reported in this section.

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

There were no findings reported in this section.

**SECTION III - MANAGEMENT LETTER**

**IMMATERIAL INSTANCES OF NONCOMPLIANCE**

1998-1: \$50,000 of the \$150,000 total bank balance at First National Bank of Commerce were not collateralized.

Management's  
Action:

The bank has been contacted and a sufficient amount of pledged securities has been obtained to collateralize the bank balances that exceed \$100,000. Management plans to monitor the amount of bank balances at all the Council's banks in relation to FDIC coverage and pledged securities to prevent further instances of noncompliance.

If you have any questions regarding this plan, please call Margaret Powe at (504) 783-6683.