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Franklin Parish Council on Aging, Inc.
Winnsboro, Louisiana

**REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

For the Year Ended June 30, 1998

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

Release Date ~~FEB 03 1999~~

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FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

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Winnsboro, Louisiana

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Franklin Parish Council on Aging, Inc.
Winnsboro, Louisiana

We have audited the accompanying general-purpose financial statements of the Franklin Parish Council on Aging, Inc. as of and for the year ended June 30, 1998, as listed in the preceding table of contents. These general-purpose financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issues in order for financial statements to be prepared in conformity with generally accepted accounting principles. Such required disclosures include:

any significant amount of resources committed to make computer systems and other electronic year 2000-compliant

a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and

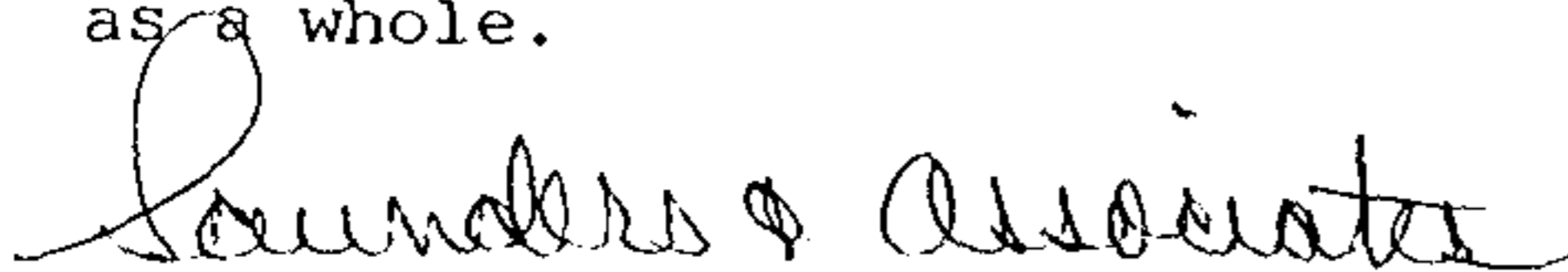
the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Franklin Parish Council on Aging, Inc. has omitted such disclosures. We do not provide assurance that the organization is or will be year 2000 ready, that the organization's year 2000 remediation efforts will be successful, in whole or in part, or that the parties with which the organization does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the organization 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, we have also issued our report dated November 19, 1998 on our consideration of the organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the organization taken as a whole. The accompanying supplemental information, as listed in the preceding table of contents, is presented for purposes of additional analysis. This supplemental information 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 basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



SAUNDERS & ASSOCIATES
Certified Public Accountants

November 19, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
With Comparative Totals For The Year Ended June 30, 1997

June 30, 1998

	<u>Governmental Fund Types</u>		<u>Account Groups</u>	
	<u>General Funds</u>	<u>Special Revenue Funds</u>	<u>General Fixed Assets</u>	<u>General Long-Term Debt</u>
ASSETS				
Cash (Note 3)	\$ 17,113	\$ (2,860)	\$ 0	\$ 0
Receivables (Note 4)	9,909	4,877	0	0
Prepaid Expenses	2,473	0	0	0
Due From Other Funds	450	9,920	0	0
Land and Buildings	0	0	0	0
Vehicles	0	0	129,211	0
Furniture and Equipment	0	0	28,097	0
Amount to be Provided For:				
Retirement of General Long-Term Debt	0	0	0	0
TOTAL ASSETS	\$ <u>29,945</u>	\$ <u>11,937</u>	\$ <u>157,308</u>	\$ <u>0</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$ 2,473	\$ 1,792	\$ 0	\$ 0
Notes Payable	10,959	0	0	0
Accrued Payroll	2,049	0	0	0
Payroll Taxes Payable	716	0	0	0
Deferred Revenue	0	0	0	0
Due to Other Funds	2,755	7,615	0	0
Total Liabilities	<u>18,952</u>	<u>9,407</u>	<u>0</u>	<u>0</u>
Fund Equity:				
Investment in General Fixed Assets	0	0	157,308	0
Fund Balances - Reserved For:				
Prepaid Expenses	2,473	0	0	0
Utilities Assistance	0	93	0	0
Repayment to Funding Source	0	0	0	0
Unreserved and Undesignated	8,520	2,437	0	0
Total Fund Equity	<u>10,993</u>	<u>2,530</u>	<u>157,308</u>	<u>0</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>29,945</u>	\$ <u>11,937</u>	\$ <u>157,308</u>	\$ <u>0</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
With Comparative Totals For The Year Ended June 30, 1997

June 30, 1998

	Totals (Memorandum Only)	
	1998	1997
ASSETS		
Cash (Note 3)	\$ 14,253	\$ 44,562
Receivables (Note 4)	14,786	18,695
Prepaid Expenses	2,473	0
Due From Other Funds	10,370	10,370
Land and Buildings	0	0
Vehicles	129,211	78,062
Furniture and Equipment	28,097	28,941
Amount to be Provided For: Retirement of General Long-Term Debt	0	0
TOTAL ASSETS	\$ 199,190	\$ 180,630
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	\$ 4,265	8,026
Notes Payable	10,959	0
Accrued Payroll	2,049	2,008
Payroll Taxes Payable	716	177
Deferred Revenue	0	466
Due to Other Funds	10,370	10,370
Total Liabilities	28,359	21,047
Fund Equity:		
Investment in General Fixed Assets	157,308	107,003
Fund Balances - Reserved For:		
Prepaid Expenses	2,473	0
Utilities Assistance	93	961
Repayment to Funding Source	0	0
Unreserved and Undesignated	10,957	51,619
Total Fund Equity	170,831	159,583
TOTAL LIABILITIES AND FUND EQUITY	\$ 199,190	\$ 180,630

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
With Comparative Totals For The Year Ended June 30, 1997

For the Year Ended June 30, 1998

	<u>General</u>	<u>Special</u>	<u>Totals</u>	
	<u>Funds</u>	<u>Revenue</u>	<u>(Memorandum Only)</u>	
		<u>Funds</u>	<u>1998</u>	<u>1997</u>
REVENUES				
Intergovernmental	\$ 11,779	\$ 199,617	\$ 211,396	\$ 203,275
Public Support	7,883	20,943	28,826	33,903
Miscellaneous	40,966	15,028	55,994	59,297
Interest Income	684	0	684	814
	<u>61,312</u>	<u>235,588</u>	<u>296,900</u>	<u>297,289</u>
Total Revenues				
EXPENDITURES				
Current Liabilities:				
Salaries	0	109,162	109,162	99,551
Fringe	0	8,480	8,480	7,829
Travel	0	4,019	4,019	7,325
Operating Services	135	61,558	61,693	43,519
Operating Supplies	0	14,216	14,216	11,984
Other Costs	27,363	96,083	123,446	114,872
Capital Outlay	0	10,775	10,775	8,026
Utility Assistance	0	4,166	4,166	3,464
	<u>27,498</u>	<u>308,459</u>	<u>335,957</u>	<u>296,570</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>33,814</u>	<u>(72,871)</u>	<u>(39,057)</u>	<u>719</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	0	117,403	117,403	119,505
Operating Transfers Out	<u>(52,479)</u>	<u>(64,924)</u>	<u>(117,403)</u>	<u>(119,505)</u>
Total Other Financing Sources (Uses)	<u>(52,479)</u>	<u>52,479</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(18,665)</u>	<u>(20,392)</u>	<u>(39,057)</u>	<u>719</u>
Fund Balance, Beginning of Year	<u>29,658</u>	<u>22,922</u>	<u>52,580</u>	<u>51,861</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,993</u>	<u>\$ 2,530</u>	<u>\$ 13,523</u>	<u>\$ 52,580</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

GENERAL FUND TYPE

For the Year Ended June 30, 1998

	Budget	Actual	Actual Over (Under) Budget
<u>REVENUES</u>			
Intergovernmental	\$ 11,779	\$ 11,779	\$ 0
Public Support	0	7,883	7,883
Miscellaneous	0	40,966	40,966
Interest Income	0	684	684
Total Revenues	11,779	61,312	49,533
<u>EXPENDITURES</u>			
Current Liabilities:			
Salaries	0	0	0
Fringe	0	0	0
Travel	0	0	0
Operating Services	0	135	135
Operating Supplies	0	0	0
Other Costs	0	27,363	27,363
Capital Outlay	0	0	0
Utility Assistance	0	0	0
Total Expenditures	0	27,498	27,498
Excess (Deficiency) of Revenues Over Expenditures	11,779	33,814	22,035
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	0
Operating Transfers Out	(11,779)	(52,479)	(40,700)
Total Other Financing Sources (Uses)	(11,779)	(52,479)	(40,700)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	(18,665)	\$ (18,665)
Fund Balance, Beginning of Year		29,658	
FUND BALANCE, END OF YEAR		\$ 10,993	

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL

SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	Budget	Actual	Actual Over (Under) Budget
REVENUES			
Intergovernmental	\$ 215,109	\$ 199,617	\$ (15,492)
Public Support	17,100	20,943	3,843
Miscellaneous	58,528	15,028	(43,500)
Interest Income	0	0	0
Total Revenues	290,737	235,588	(55,149)
EXPENDITURES			
Current Liabilities:			
Salaries	109,213	109,162	(51)
Fringe	8,595	8,480	(115)
Travel	3,775	4,019	244
Operating Services	61,189	61,558	369
Operating Supplies	12,271	14,216	1,945
Other Costs	97,096	96,083	(1,013)
Capital Outlay	10,377	10,775	398
Utility Assistance	0	4,166	4,166
Total Expenditures	302,516	308,459	5,943
Excess (Deficiency) of Revenues Over Expenditures	(11,779)	(72,871)	(61,092)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	11,779	117,403	105,624
Operating Transfers Out	0	(64,924)	(64,924)
Total Other Financing Sources (Uses)	11,779	52,479	40,700
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 0	(20,392)	\$ (20,392)
Fund Balance, Beginning of Year		22,922	
FUND BALANCE, END OF YEAR		\$ 2,530	

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Franklin Parish Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs and any other entity that provides the Council with federal and state funds.

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

The primary function of the Franklin Parish 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 referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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 government 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 "Audit of State and Local Governmental Units", the industry audit guide issued by the American Institute of Certified Public Accountants; and Subsection VI-Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs contractors, and, the Louisiana Governmental Audit Guide.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting - The accounts of the Council are organized on the basis of funds and an account group, 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 comprises its assets, liabilities, fund equity, revenues, and expenditures. The Council's revenues are accounted for in these individual funds based upon the purpose for which they are to be spent, and the means by which spending activities are controlled. The funds 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 types of programs comprise the Council's General Fund:

Local - Local funds are received from various local sources; such funds not being restricted to any special use.

PCOA (Act 735) - PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

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 specific purposes.

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

Title III-B Supportive Services Fund - Title III-B funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program provides access services, in-home services, community services, legal assistance, and transportation for the elderly.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting, 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 "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.

Title III C-1 Congregate Meals Fund - Title III C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

Title III C-2 Home Delivered Meals Fund - Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to home-bound older persons.

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

Title III-D Fund - The III-D Fund is used to account for funds which are used to provide in-home services to frail older individuals, 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-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Accounting, continued -

Utility Assistance Fund - The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of their utility bills.

Title III-F Fund - The Title III-F fund are provided by the U. S. Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides preventive health services.

Supplemental Senior Center Funds - The Louisiana legislature appropriated additional money for various Councils on Aging through the state to be used to supplement the primary state grant for senior centers. Franklin Parish Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are 'passed through' the Governor's Office of Elderly Affairs.

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 and Long-Term Debt - The 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. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. Principal and interest payments on long-term liabilities are accounted for in the general fund because the Council intends to use general fund revenues to pay them.

Basis of Accounting - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental 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 source) and decreases (expenditures and other uses) in net current assets.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of Accounting, Continued -

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

Encumbrances - Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not used by the Franklin Parish Council on Aging, Inc., in its accounting practices.

Other Financing Source (Uses) - Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). Transfers between funds are recognized at the time of transfer.

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

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.

The Board of Directors reviews and adopts the budget before June 30th of the current year for the next year.

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30).

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Budget Policy, continued -

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.

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 for funds received under grants from this state agency. Expenditures cannot legally exceed appropriations on an individual level.

Amounts were not budgeted for revenues and expenses for the Utility Assistance Fund, because they were not legally required and the amount of revenue to be received under this program could not be determined.

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

Compensated Absences - Employees of the Franklin Parish Council on Aging, Inc., earn from 10 to 20 days of annual leave each year with 10 days allowed to be carried over to next year, depending on their length of service and the employee's working status (full-time or part-time). Compensation upon termination of employment for accrued annual leave will be made only when budgeting is possible and not to exceed ten (10) days. Employees earn up to 12 days of sick leave each year, and can accumulate up to 60 days. Employees are not paid for accrued sick leave at termination. Although the employees' leave benefits have not been recognized and accrued at June 30, 1998, the amounts are not believed to be material to the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Related Party Transactions - There were no related party transactions during the fiscal year.

NOTE 2: FUNDING POLICIES AND SOURCES OF FUNDS

The Council receives its monies through various methods of funding. U.S.D.A. cash-in-lieu of commodities funds are provided through the Louisiana Governor's Office of Elderly Affairs to help offset raw food costs in Title III C-1 and C-2 programs. This program is funded under the units of service provided method. The Senior Center program and State Allocation (PCOA) funds are received as a monthly allocation of the total budget (grant) in advance of the actual expenditure. The Title III-B, C-1, C-2, and D & F programs are funded based on actual operating costs incurred.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, and C-2 programs. Utility assistance funds are also provided by the Louisiana Association of Councils on Aging to the Council under the Helping Hands and Heating Help programs. All of the above mentioned funds, including any other miscellaneous income, are recorded as revenues when the cash is received because the Council cannot predict the timing and the amount of receipt.

NOTE 3: CASH

At June 30, 1998, the carrying amount of the Council's deposits were as follows:

Payroll - Checking	\$ 58
Operating - Checking	<u>14,195</u>
Cash on deposit in banks	<u>\$ 14,253</u>

All of these deposits were covered by federal depository insurance.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 4: RECEIVABLES

Grant Receivables at June 30, 1998, consisted of reimbursements for expenses incurred under the following programs:

<u>Program</u>	<u>Amount</u>
Helping Hands	\$ 128
Medicaid	9,761
U.S.D.A.	3,901
Miscellaneous	20
III-F	<u>976</u>
Total	\$ <u>14,786</u>

NOTE 5: IN-KIND CONTRIBUTIONS

The Council received various in-kind contributions during the year. These in-kind contributions have not been recorded in the financial statements as revenues, nor has the expenditure related to the use of the in-kind been recorded.

The primary in-kind contributions consisted of free rent and utilities for the senior center and meal sites, and wages and fringe benefits for volunteer workers.

NOTE 6: BOARD OF DIRECTOR'S 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 7: INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code.

NOTE 8: JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There was no litigation pending against the council at June 30, 1998, nor is the Council aware of any unasserted claims.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 9: FEDERAL AWARD PROGRAMS

The Council receives revenues from various federal and state grant programs, which are subject to final review and approval as to allowability of expenditures by the respective grantor agencies. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Any settlements or expenses arising out of a final review are recognized in the period agreed upon by the agency and the Council. Also, it is management's opinion that any audits by the grantor agencies would not produce disallowed program costs and liabilities to such an extent that they would materially affect the Council's financial position.

NOTE 10: 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 the 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 11: ESTIMATE

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 could differ from those estimates.

NOTE 12: PENSION PLAN

All employees of the Council are members of the Social Security System. In addition to the employee contribution withheld at 7.65 per cent of gross salary, the Council contributes an equal amount to the Social Security System.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

NOTE 13: POST RETIREMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The Council has no retired employees at June 30, 1998.

NOTE 14: INVENTORY

No inventory at June 30, 1998.

NOTE 15: RISK MANAGEMENT

The Council is exposed to various risks of loss related to torts; thefts 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 year that exceeded the Council's insurance coverage.

NOTE 16: INTERFUND TRANSFERS

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

Funds Transferred In	Miscell- aneous Grant	Senior Center	USDA	Project Independ- ence	General Fund	Total In
Title III B- Supportive Services	\$ 4,500	\$20,361	\$ 0	\$ 1,382	\$ 48,666	\$ 74,909
Title III C-1	0	0	30,000	0	3,685	33,685
Title III C-2	0	0	8,681	0	0	8,681
Title III D	0	0	0	0	128	128
Total Out	<u>\$ 4,500</u>	<u>\$20,361</u>	<u>\$38,681</u>	<u>\$ 1,382</u>	<u>\$ 52,479</u>	<u>\$117,403</u>

NOTE 17: 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 its grant agreements. The fund balances in the governmental fund types have been reserved for any prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

Saunders & Associates

Certified Public Accountants

P.O. Box 1406 • 630 East 17th • Ada, Oklahoma 74820 • (580) 436-5330/332-8548 • FAX: (580) 332-2272
E-mail www.sndrsgrp@chickasaw.com

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

Board of Directors
Franklin Parish Council on Aging, Inc.
Winnsboro, Louisiana

We have audited the financial statements of Franklin Parish Council on Aging, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated November 19, 1998, which was qualified due to the omission of the year 2000 disclosures that are required by the Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*. 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 the organization'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*.

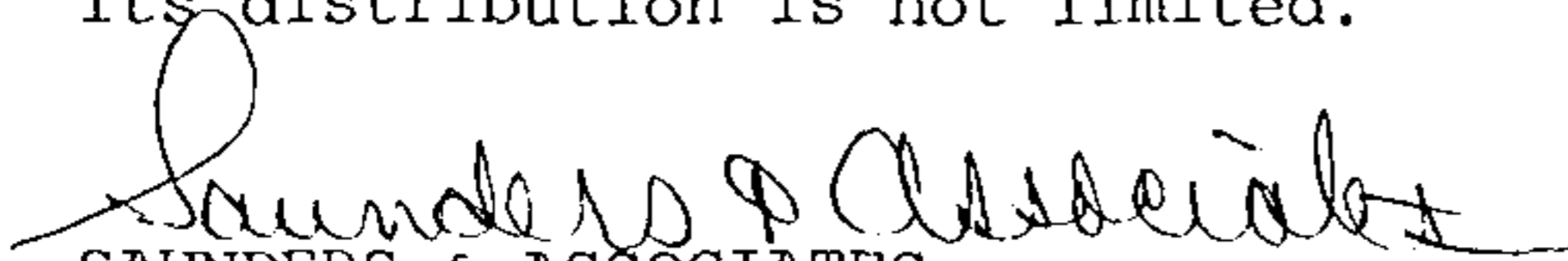
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the organization'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 97-1 and 98-1.

We also noted other matters involving the internal control over financial reporting that we have reported to management of the organization in a separate letter dated November 19, 1998.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above are a material weakness.

This report is intended for the information of management, and federal awarding agencies. However, this report is a matter of public record and its distribution is not limited.


SAUNDERS & ASSOCIATES
Certified Public Accountant

November 19, 1998

SUPPLEMENTAL INFORMATION

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1998

<u>Federal Grantor/Pass Through Grantor Name/Program Name</u>	<u>Federal CFDA Number</u>	<u>Program Or Award Amount</u>	<u>Revenue Recognized</u>	<u>Expenditures</u>
<u>United States Department of Health and Human Service:</u>				
Passed Through the Louisiana Governor's Office of Elderly Affairs - Special Programs for the Aging:				
Title III B Supportive Services	93.044	\$ 40,419	\$ 40,419	\$ 40,419
Title III C-1 Congregate Meals	93.045	43,523	43,523	43,523
Title III C-2 Home Delivered Meals	93.045	22,674	22,674	22,674
Title III D In-Home Services	93.046	2,066	2,066	2,066
Title III F Preventive Health	93.043	2,534	<u>2,534</u>	<u>2,534</u>
 Total United States Department of Health and Human Services			 <u>111,216</u>	 <u>111,216</u>
 <u>United States Department of Agriculture:</u>				
Passed Through the Louisiana Governor's Office of Elderly Affairs - Food Distribution Program:				
Cash-in-Lieu-of Commodities	10.570	20,826	<u>20,826</u>	<u>20,826</u>
 TOTAL FEDERAL FINANCIAL ASSISTANCE			 <u>\$ 132,042</u>	 <u>\$ 132,042</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING BALANCE SHEET -
SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	Title III F Preventive Health	Title III B Supportive Services	Title III C-1 Congregate Meals	Title III C-2 Home Delivered Meals
ASSETS				
Cash	\$ 1,800	\$ (7,572)	\$ 103	\$ (531)
Receivables	976	0	0	0
Prepaid Expenses	0	0	0	0
Due From Other Funds	0	8,667	149	635
Land and Buildings	0	0	0	0
Vehicles	0	0	0	0
Furniture and Equipment	0	0	0	0
Amount to be Provided For: Retirement of General Long-Term Debt	0	0	0	0
TOTAL ASSETS	\$ 2,776	\$ 1,095	\$ 252	\$ 104
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts Payable	\$ 0	\$ 1,095	\$ 252	\$ 104
Accrued Payroll	0	0	0	0
Payroll Taxes Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Due to Other Funds	2,776	0	0	0
Total Liabilities	2,776	1,095	252	104
Fund Equity:				
Investment in General Fixed Assets	0	0	0	0
Fund Balances - Reserved For:				
Prepaid Expenses	0	0	0	0
Utilities Assistance	0	0	0	0
Repayment to Funding Source	0	0	0	0
Unreserved and Undesignated	0	0	0	0
Total Fund Equity	0	0	0	0
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,776	\$ 1,095	\$ 252	\$ 104

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING BALANCE SHEET -
SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	<u>Senior Center</u>	<u>Title III D In-Home Services</u>	<u>Utilities Assistance</u>	<u>USDA</u>
<u>ASSETS</u>				
Cash	\$ 651	\$ (461)	\$ 93	\$ (1,464)
Receivables	0	0	0	3,901
Prepaid Expenses	0	0	0	0
Due From Other Funds	0	469	0	0
Land and Buildings	0	0	0	0
Vehicles	0	0	0	0
Furniture and Equipment	0	0	0	0
Amount to be Provided For:				
Retirement of General Long-Term Debt	0	0	0	0
TOTAL ASSETS	\$ <u>651</u>	\$ <u>8</u>	\$ <u>93</u>	\$ <u>2,437</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts Payable	\$ 312	\$ 8	\$ 0	\$ 0
Accrued Payroll	0	0	0	0
Payroll Taxes Payable	0	0	0	0
Deferred Revenue	0	0	0	0
Due to Other Funds	339	0	0	0
Total Liabilities	<u>651</u>	<u>8</u>	<u>0</u>	<u>0</u>
Fund Equity:				
Investment in General Fixed Assets	0	0	0	0
Fund Balances - Reserved For:				
Prepaid Expenses	0	0	0	0
Utilities Assistance	0	0	93	0
Repayment to Funding Source	0	0	0	0
Unreserved and Undesignated	0	0	0	2,437
Total Fund Equity	<u>0</u>	<u>0</u>	<u>93</u>	<u>2,437</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>651</u>	\$ <u>8</u>	\$ <u>93</u>	\$ <u>2,437</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING BALANCE SHEET -
SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	<u>Miscellaneous Grant</u>	<u>Project Independence</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 4,500	\$ 21	\$ (2,860)
Receivables	0	0	4,877
Prepaid Expenses	0	0	0
Due From Other Funds	0	0	9,920
Land and Buildings	0	0	0
Vehicles	0	0	0
Furniture and Equipment	0	0	0
Amount to be Provided For:			
Retirement of General Long-Term Debt	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	\$ <u>4,500</u>	\$ <u>21</u>	\$ <u>11,937</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>Liabilities:</u>			
Accounts Payable	\$ 0	\$ 21	\$ 1,792
Accrued Payroll	0	0	0
Payroll Taxes Payable	0	0	0
Deferred Revenue	0	0	0
Due to Other Funds	4,500	0	7,615
	<u>4,500</u>	<u>21</u>	<u>9,407</u>
Total Liabilities	<u>4,500</u>	<u>21</u>	<u>9,407</u>
<u>Fund Equity:</u>			
Investment in General Fixed Assets	0	0	0
Fund Balances - Reserved For:			
Prepaid Expenses	0	0	0
Utilities Assistance	0	0	93
Repayment to Funding Source	0	0	0
Unreserved and Undesignated	0	0	2,437
	<u>0</u>	<u>0</u>	<u>2,530</u>
Total Fund Equity	<u>0</u>	<u>0</u>	<u>2,530</u>
TOTAL LIABILITIES AND FUND EQUITY	\$ <u>4,500</u>	\$ <u>21</u>	\$ <u>11,937</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ACTUAL - GENERAL FUND

For the Year Ended June 30, 1998

	Programs of the General Fund		
	LOCAL	PCOA (ACT 735)	Total
<u>REVENUES</u>			
Intergovernmental	\$ 0	\$ 11,779	\$ 11,779
Public Support	7,883	0	7,883
Miscellaneous	40,966	0	40,966
Interest Income	684	0	684
	<u>49,533</u>	<u>11,779</u>	<u>61,312</u>
Total Revenues			
<u>EXPENDITURES</u>			
Current Liabilities:			
Salaries	0	0	0
Fringe	0	0	0
Meals	0	0	0
Travel	0	0	0
Operating Services	135	0	135
Operating Supplies	0	0	0
Other Costs	26,648	715	27,363
Capital Outlay	0	0	0
Utility Assistance	0	0	0
	<u>26,783</u>	<u>715</u>	<u>27,498</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over Expenditures	<u>22,750</u>	<u>11,064</u>	<u>33,814</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0		0
Operating Transfers Out	(41,415)	(11,064)	(52,479)
	<u>(41,415)</u>	<u>(11,064)</u>	<u>(52,479)</u>
Total Other Financing Sources (Uses)			
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>(18,665)</u>	<u>0</u>	<u>(18,665)</u>
Fund Balance, Beginning of Year	<u>29,658</u>	<u>0</u>	<u>29,658</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,993</u>	<u>\$ 0</u>	<u>\$ 10,993</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	Title III F Preventive Health	Title III B Supportive Services	Title III C-1 Congregate Meals	Title C-2 Home Delivered Meals
<u>REVENUES</u>				
Intergovernmental	\$ 2,981	\$ 59,795	\$ 50,329	\$ 34,675
Public Support	0	598	14,479	2,562
Miscellaneous	0	28	0	0
Interest Income	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,981	60,421	64,808	37,237
<u>EXPENDITURES</u>				
Current:				
Salaries	0	62,625	27,922	7,956
Fringe	0	4,870	2,173	600
Travel	0	2,669	415	742
Operating Services	231	33,628	12,654	5,998
Operating Supplies	1,753	8,321	2,064	1,242
Other Costs	0	13,439	53,265	29,380
Capital Outlay	997	9,778	0	0
Utility Assistance	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,981	135,330	98,493	45,918
Excess (Deficiency) of Revenues Over Expenditures	<hr/>	<hr/>	<hr/>	<hr/>
	0	(74,909)	(33,685)	(8,681)
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	0	74,909	33,685	8,681
Operating Transfers Out	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Source (Uses)	0	74,909	33,685	8,681
Excess (Deficiency) of Revenues Over Expenditures and Sources (Uses)	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	0
Fund Balance, Beginning of Year	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	0
FUND BALANCE, END OF YEAR	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 0	\$ 0	\$ 0	\$ 0

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	<u>Senior Center</u>	<u>Title III D In-Home Services</u>	<u>Utilities Assistance</u>	<u>USDA</u>
<u>REVENUES</u>				
Intergovernmental	\$ 24,081	\$ 2,430	\$ 0	\$ 20,826
Public Support	0	0	3,298	0
Miscellaneous	0	0	0	0
Interest Income	0	0	0	0
	<u>24,081</u>	<u>2,430</u>	<u>3,298</u>	<u>20,826</u>
Total Revenues				
<u>EXPENDITURES</u>				
Current:				
Salaries	0	1,369	0	0
Fringe	0	107	0	0
Travel	0	168	0	0
Operating Services	3,720	873	0	0
Operating Supplies	0	41	0	0
Other Costs	0	0	0	0
Capital Outlay	0	0	0	0
Utility Assistance	0	0	4,166	0
	<u>3,720</u>	<u>2,558</u>	<u>4,166</u>	<u>0</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>20,361</u>	<u>(128)</u>	<u>(868)</u>	<u>20,826</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating Transfers In	0	128	0	0
Operating Transfers Out	<u>(20,361)</u>	<u>0</u>	<u>0</u>	<u>(38,681)</u>
Total Other Financing Source (Uses)	<u>(20,361)</u>	<u>128</u>	<u>0</u>	<u>(38,681)</u>
Excess (Deficiency) of Revenues Over Expenditures and Sources (Uses)	0	0	(868)	(17,855)
Fund Balance, Beginning of Year	<u>0</u>	<u>0</u>	<u>961</u>	<u>20,292</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 93</u>	<u>\$ 2,437</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

For the Year Ended June 30, 1998

	<u>Miscellaneous Grant</u>	<u>Project Independence</u>	<u>Total</u>
<u>REVENUES</u>			
Intergovernmental	\$ 4,500	\$ 0	\$ 199,617
Public Support	0	6	20,943
Miscellaneous	0	15,000	15,028
Interest Income	0	0	0
	<u>4,500</u>	<u>15,006</u>	<u>235,588</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	0	9,290	109,162
Fringe	0	730	8,480
Travel	0	25	4,019
Operating Services	0	4,454	61,558
Operating Supplies	0	794	14,215
Other Costs	0	0	96,084
Capital Outlay	0	0	10,775
Utility Assistance	0	0	4,166
	<u>0</u>	<u>15,293</u>	<u>308,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,500</u>	<u>(287)</u>	<u>(72,871)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	0	0	117,403
Operating Transfers Out	<u>(4,500)</u>	<u>(1,382)</u>	<u>(64,924)</u>
Total Other Financing Source (Uses)	<u>(4,500)</u>	<u>(1,382)</u>	<u>52,479</u>
Excess (Deficiency) of Revenues Over Expenditures and Sources (Uses)	0	(1,669)	(20,392)
Fund Balance, Beginning of Year	<u>0</u>	<u>1,669</u>	<u>22,922</u>
FUND BALANCE, END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,530</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL -
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>TITLE III B SUPPORTIVE SERVICES</u>			
Salaries	\$ 62,722	\$ 62,625	\$ (97)
Fringe	4,936	4,870	(66)
Travel	2,615	2,669	54
Operating Services	33,664	33,628	(36)
Operating Supplies	6,942	8,321	1,379
Other Costs	12,294	13,438	1,144
Capital Outlay	<u>9,477</u>	<u>9,778</u>	<u>301</u>
Subtotal	132,650	135,329	2,679
Transfer From General Fund	(35,615)	(38,984)	(3,369)
Transfer From Senior Center	(20,361)	(20,361)	0
Transfer From Miscellaneous Grant	(4,500)	(4,500)	0
Transfer From PCOA	<u>(11,779)</u>	<u>(11,064)</u>	<u>715</u>
TOTAL TITLE III B	<u>\$ 60,395</u>	<u>\$ 60,420</u>	<u>\$ 25</u>
<u>TITLE III C-1 CONGREGATE MEALS</u>			
Salaries	\$ 28,078	\$ 27,922	\$ (156)
Fringe	2,210	2,173	(37)
Travel	315	415	100
Operating Services	12,394	12,654	260
Operating Supplies	1,607	2,064	457
Other Costs	57,225	53,265	(3,960)
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal	101,829	98,493	(3,336)
Transfer From General Fund	0	0	0
Transfer From USDA	<u>(30,000)</u>	<u>(33,685)</u>	<u>(3,685)</u>
TOTAL TITLE III C-1	<u>\$ 71,829</u>	<u>\$ 64,808</u>	<u>\$ (7,021)</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL -
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>TITLE III C-2 HOME DELIVERED MEALS</u>			
Salaries	\$ 7,733	\$ 7,956	\$ 223
Fringe	609	600	(9)
Travel	665	742	77
Operating Services	5,882	5,998	116
Operating Supplies	1,027	1,242	215
Other Costs	27,577	29,380	1,803
Capital Outlay	0	0	0
Subtotal	43,493	45,918	2,425
Transfer From General Fund	0	0	0
Transfer From USDA	(6,318)	(8,681)	(2,363)
TOTAL TITLE III C-2	<u>\$ 37,175</u>	<u>\$ 37,237</u>	<u>\$ 62</u>
 <u>SENIOR CENTER</u>			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	0	0	0
Operating Services	3,720	3,720	0
Operating Supplies	0	0	0
Other Costs	0	0	0
Capital Outlay	0	0	0
Subtotal	3,720	3,720	0
Transfer To Title III B	20,361	20,361	0
TOTAL SENIOR CENTER	<u>\$ 24,081</u>	<u>\$ 24,081</u>	<u>\$ 0</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VS. ACTUAL -
CONTRACTS AND GRANTS PROVIDED THROUGH THE LOUISIANA
GOVERNOR'S OFFICE OF ELDERLY AFFAIRS (GOEA)

For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Actual Over (Under) Budget</u>
<u>TITLE III D IN-HOME SERVICES</u>			
Salaries	\$ 1,391	\$ 1,369	\$ (22)
Fringe	109	107	(2)
Travel	155	168	13
Operating Services	866	873	7
Operating Supplies	29	41	12
Other Costs	0	0	0
Capital Outlay	0	0	0
Subtotal	2,550	2,558	8
Transfer From General Fund	(120)	(128)	(8)
TOTAL TITLE III D	<u>\$ 2,430</u>	<u>\$ 2,430</u>	<u>\$ 0</u>
<u>MISCELLANEOUS GRANT</u>			
Transfer To Title III B	\$ 4,500	\$ 4,500	\$ 0
TOTAL MISCELLANEOUS GRANT	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
<u>TITLE III F PREVENTIVE HEALTH</u>			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	0	0	0
Operating Services	210	231	21
Operating Supplies	1,871	1,753	(118)
Other Costs	0	0	0
Capital Outlay	900	997	97
TOTAL TITLE III F	<u>\$ 2,981</u>	<u>\$ 2,981</u>	<u>\$ 0</u>
<u>USDA</u>			
Transfer To Title III C-1	\$ 30,000	\$ 30,000	\$ 0
Transfer To Title III C-2	6,318	8,681	2,363
TOTAL USDA	<u>\$ 36,318</u>	<u>\$ 38,681</u>	<u>\$ 2,363</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

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

For the Year Ended June 30, 1998

Access (30%):	Assisted Transportation	\$	760	
	Case Management		2,531	
	Transportation		85,713	
	Information and Assistance		0	
	Outreach		<u>209</u>	
	Total Access Expense	\$	<u>89,213</u>	149.20%
In-Home (15%):	Homemaker		13,121	
	Chore		0	
	Telephoning		3,987	
	Visiting		0	
	Adult/Daycare/Health		0	
	Personal Care		<u>16,605</u>	
	Total In-Home Expenses		33,713	<u>49.71%</u>
Legal (5%):	Legal Assistance		0	<u>0.00%</u>
Non-Priority Services			<u>12,402</u>	
Total Title III B - Supportive Services Expenditures			135,328	
Less: Participant Contributions			-626	
Other Local Contributions			-38,983	
Transfers in			<u>-35,925</u>	
Original Grant Award Net of Transfers of Contract Allotments			\$	<u>59,794</u>

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS AND
CHANGES IN GENERAL FIXED ASSETS

For the Year Ended June 30, 1998

	<u>Balance</u> <u>June 30,</u> <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>1998</u>
<u>GENERAL FIXED ASSETS AT COST</u>				
Vehicles	\$ 78,061	\$ 51,150	\$ 0	\$ 129,211
Office Furniture and Equipment	<u>28,942</u>	<u>1,298</u>	<u>2,143</u>	<u>28,097</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 107,003</u>	<u>\$ 52,448</u>	<u>\$ 2,143</u>	<u>\$ 157,308</u>
 <u>INVESTMENT IN GENERAL FIXED ASSETS</u>				
Property Acquired Prior to July 1, 1985 **	\$ 6,856	\$ 0	\$ 0	\$ 6,856
Property Acquired After July 1, 1985				
With Funds From:				
Title III D In-Home Services	38	0	0	38
General Fund	12,610	19,558	0	32,168
Title III C-1	0	0	0	0
Title III C-2	2,270	0	900	1,370
Title B Supportive Services	16,837	300	0	17,137
Senior Center	4,596	0	0	4,596
Title 5	0	0	0	0
Transportation Department	62,014	31,592	0	93,606
Act 735	150	0	0	150
Title III F Preventive Health	<u>1,632</u>	<u>998</u>	<u>1,243</u>	<u>1,387</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 107,003</u>	<u>\$ 52,448</u>	<u>\$ 2,143</u>	<u>\$ 157,308</u>

** Records reflecting sources from which assets were acquired were not maintained prior to July 1, 1985.

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

STATUS OF PRIOR AUDIT FINDINGS

June 30, 1998

INTERNAL CONTROL ISSUES

97-1 Condition: There is an inadequate number of personnel for the Council to have an adequate system of control

Current Status: See current audit finding number 97-1.

* The accompanying notes are an integral part of the financial statements.

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

SCHEDULE OF FINDING AND QUESTIONED COSTS

For the Year Ended June 30, 1998

INTERNAL CONTROL ISSUES

97-1 Condition: There is an inadequate number of personnel for the council to have an adequate system of control.

Current Status: It is noted that it is not cost-beneficial to the Council to correct this deficiency.

98-1 Condition: After a review of the entities internal control over fundraisers, certain weaknesses were noted. The entity does not keep a record of what tickets were sold and not sold. Therefore, the entity has no way of determining whether or not all cash collected for ticket sales was actually turned back in and accounted for.

Recommendation: SAUNDERS & ASSOCIATES recommends that the entity develop a record keeping system to account for all tickets sold and unsold for fund raising events.

Reply: The Franklin Parish Council on Aging has never used pre-numbered tickets for fundraisers. The Council on Aging will implement the following procedure for accounting for tickets used for fundraisers.

A log will be kept of all number tickets distributed, stating number of tickets issued, to whom issued, date issued, date turned in, number of tickets sold or returned, amount of money received. An account of all tickets must be given. One employee will be assigned to distribute and receive tickets and money. An alternate will be named in case of absence of first person assigned. These records will be kept on file.

* The accompanying notes are an integral part of the financial statements.

**Memorandum of Suggestions on Accounting
Procedures and System of Internal Controls**

**Franklin Parish Council on Aging, Inc.
Winnsboro, Louisiana**

For the Year Ended June 30, 1998

**Contact Person
G. B. SAUNDERS**

November 19, 1998

**SAUNDERS & ASSOCIATES
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Board of Directors
Franklin Parish Council on Aging, Inc.
Winnsboro, Louisiana

The accompanying Management Letter includes suggestions for improvement of accounting procedures and internal accounting controls that came to our attention as a result of our examination of the financial statements of the Franklin Parish Council on Aging, Inc., Winnsboro, Louisiana, for the year ended June 30, 1998. The matters discussed herein were considered by us during our examination and do not modify the opinion expressed in our auditor's report dated November 19, 1998 on such financial statements.


In accordance with generally accepted auditing standards we made a review of the Franklin Parish Council on Aging, Inc.'s system of internal accounting controls for the purpose of providing a basis for reliance thereon, in determining the nature, timing and extent of substantive testing of the June 30, 1998 financial statements. While certain matters that came to our attention during the review are presented in the accompanying Management Letter for the consideration of the Board, our review did not encompass all control procedures and techniques and was not designed for the purpose of making detailed recommendations.

The accompanying Management Letter also includes comments and suggestions with respect to other financial and administrative matters that came to our attention during the course of our examination. These matters are offered as constructive suggestions for the consideration of management as part of the ongoing process of modifying and improving accounting control and other financial and administrative practices and procedures.

The Management Letter is intended solely for the benefit of management and the board of directors, and is not to be used for any other purpose.

We wish to express our appreciation for the courtesies and cooperation extended to our representatives during the course of their work. We would be pleased to discuss these suggestions and comments in greater detail or otherwise assist in their implementation.

Sincerely,


SAUNDERS & ASSOCIATES
Certified Public Accountants

November 19, 1998

FRANKLIN PARISH COUNCIL ON AGING, INC.
Winnsboro, Louisiana

MANAGEMENT LETTER

June 30, 1998

1. SOFTWARE AND HARDWARE YEAR 2000 COMPLIANCE (Y2K)

Criteria: It is the responsibility of Franklin Parish Council on Aging, Inc. to safeguard the assets and to account for and document your financial and programmatic activities and produce accurate and timely financial statements and programmatic reports.

Condition: It appears that Franklin Parish Council on Aging, Inc. has discussed the Y2K compliance issues within management, however, during our examination we could not confirm that you had addressed all of your systems for Y2K compliance or developed a contingency plan.

Cause/Effect: Should you have any systems fail due to Y2K non-compliance, you could potentially lose the ability to produce timely and accurate programmatic and financial information as well as lose control over your assets.

Recommendation: SAUNDERS & ASSOCIATES recommends that Franklin Parish Council on Aging, Inc. review all software programs and hardware to ensure that they are Y2K compliant. Priorities should be placed on accounting systems and any other systems that utilize dates or are date sensitive. You should especially ensure any data base you control or have access to is Y2K compliant. You should also assess the effect of Y2K on major grantors, vendors, service providers, bankers and other third-party organizations and how non-compliance could possibly effect you. You should consider developing a Y2K contingency plan.