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EVANGELINE COUNCIL ON AGING, INC.

Ville Platte, Louisiana

Financial Report

Year Ended June 30, 1999

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.

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Release Date _____

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Independent Auditor's Report

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Ville Platte, Louisiana

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

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We conducted our audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues", requires disclosure of certain matters regarding the year 2000 issue 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 equipment 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.

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Certified Public Accountants

The Evangeline Council on Aging, Inc. has omitted such disclosures. We do not provide assurance that the Evangeline Council on Aging, Inc. is or will be year 2000 ready, that the Council on Aging, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Council on Aging, Inc. 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 Evangeline Council on Aging, Inc. as of June 30, 1999, 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 September 9, 1999 on our consideration of the Evangeline Council on Aging, Inc.'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 Evangeline Council on Aging, Inc. taken as a whole. The supplemental information listed 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 our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Darnall, Sikes & Frederick

A Corporation of Certified Public Accountants

Bunice, Louisiana
September 9, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

EVANGELINE COUNCIL ON AGING, INC.

Combined Balance Sheet – All Fund Types and Account Groups
Year Ended June 30, 1999

	Governmental Fund Types			Account Groups		Total (Memorandum Only)
	General	Special Revenue	Capital Projects	General	General	
				Fixed Assets	Long-term Debt	
ASSETS						
Cash	\$ 93,882	\$ 19,859	\$ -	\$ -	\$ -	\$ 113,741
Restricted cash	7,311	-	-	-	-	7,311
Investments	5,052	57,030	-	-	-	62,082
Other receivables	10,806	6,442	-	-	-	17,248
Fixed assets	-	-	-	519,244	-	519,244
Prepaid expenditures	2,736	100	-	-	-	2,836
Amount to be provided for retirement of general long-term debt	-	-	-	-	258,713	258,713
Total assets	\$ 119,787	\$ 83,431	\$ -	\$ 519,244	\$ 258,713	\$ 981,175
LIABILITIES AND FUND EQUITY						
Liabilities:						
Accounts payable	\$ 20	\$ 356	\$ -	\$ -	\$ -	\$ 376
Accrued payroll and related benefits payable	-	1,502	-	-	-	1,502
Long-term debt - Accumulated unpaid leave	-	-	-	-	7,398	7,398
Note payable	-	-	-	-	251,315	251,315
Total liabilities	20	1,858	-	-	258,713	260,591
Fund Equity:						
Investment in fixed assets	-	-	-	519,244	-	519,244
Fund balances - Unreserved, undesignated	109,720	81,473	-	-	-	191,193
Reserved for future expenditures	10,047	100	-	-	-	10,147
Total fund balances	119,767	81,573	-	-	-	201,340
Total fund equity	119,767	81,573	-	519,244	-	720,584
Total liabilities and fund equity	\$ 119,787	\$ 83,431	\$ -	\$ 519,244	\$ 258,713	\$ 981,175

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – All Governmental Fund Types
Year Ended June 30, 1999

	General	Special Revenue	Capital Projects	Debt Service	Total (Memorandum Only)
Revenues:					
Intergovernmental	\$ 95,029	\$ 552,398	\$ -	\$ -	\$ 647,427
Program	-	80,503	-	-	80,503
Local and miscellaneous	121,381	57,077	-	17,664	196,122
In-kind	-	31,512	-	-	31,512
Total revenues	<u>216,410</u>	<u>721,490</u>	<u>-</u>	<u>17,664</u>	<u>955,564</u>
Expenditures:					
Current -					
Salaries	42,762	538,977	-	-	581,739
Fringe	3,518	56,931	-	-	60,449
Travel	11,669	29,259	-	-	40,928
Operating services	18,746	97,991	-	-	116,737
Operating supplies	1,690	30,038	-	-	31,728
Other costs	1,817	24,997	356	-	27,170
Capital outlay	29,849	55,870	-	-	85,719
Debt service -					
Principal	-	-	-	4,657	4,657
Interest	-	-	-	13,007	13,007
In-kind	-	31,512	-	-	31,512
Total expenditures	<u>110,051</u>	<u>865,575</u>	<u>356</u>	<u>17,664</u>	<u>993,646</u>
Excess (deficiency) of revenues over expenditures	<u>106,359</u>	<u>(144,085)</u>	<u>(356)</u>	<u>-</u>	<u>(38,082)</u>
Other financing sources (uses):					
Operating transfers in	-	221,849	-	-	221,849
Operating transfers out	<u>(145,153)</u>	<u>(76,696)</u>	<u>-</u>	<u>-</u>	<u>(221,849)</u>
Total other financing sources (uses)	<u>(145,153)</u>	<u>145,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(38,794)	1,068	(356)	-	(38,082)
Fund balances, beginning of year	<u>158,561</u>	<u>80,505</u>	<u>356</u>	<u>-</u>	<u>239,422</u>
Fund balances, end of year	<u>\$ 119,767</u>	<u>\$ 81,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,340</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget (GAAP Basis) and Actual - Governmental Fund Types
Year Ended June 30, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Intergovernmental	\$ 175,959	\$ 206,273	\$ 30,314	\$ 551,413	\$ 552,398	\$ 985
Program	-	-	-	82,090	80,503	(1,587)
Local and miscellaneous	27,731	10,137	(17,594)	54,278	57,077	2,799
In-kind	-	-	-	21,662	31,512	9,850
Total revenues	<u>203,690</u>	<u>216,410</u>	<u>12,720</u>	<u>709,443</u>	<u>721,490</u>	<u>12,047</u>
Expenditures:						
Current -						
Salaries	38,041	42,762	(4,721)	549,262	538,977	10,285
Fringe	3,115	3,518	(403)	65,772	56,931	8,841
Travel	9,928	11,669	(1,741)	26,991	29,259	(2,268)
Operating services	23,425	18,746	4,679	103,219	97,991	5,228
Operating supplies	6,300	1,690	4,610	31,301	30,038	1,263
Other costs	14,386	1,817	12,569	67,198	24,997	42,201
Capital outlay	32,717	29,849	2,868	6,917	55,870	(48,953)
In-kind	-	-	-	21,662	31,512	(9,850)
Total expenditures	<u>127,912</u>	<u>110,051</u>	<u>17,861</u>	<u>872,322</u>	<u>865,575</u>	<u>6,747</u>
Excess (deficiency) of revenues over expenditures	<u>75,778</u>	<u>106,359</u>	<u>30,581</u>	<u>(162,879)</u>	<u>(144,085)</u>	<u>18,794</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	231,789	230,178	(1,611)
Operating transfers out	(98,779)	(145,153)	(46,374)	(133,010)	(85,025)	47,985
Total other financing sources (uses)	<u>(98,779)</u>	<u>(145,153)</u>	<u>(46,374)</u>	<u>98,779</u>	<u>145,153</u>	<u>46,374</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,001)	(38,794)	(15,793)	(64,100)	1,068	65,168
Fund balances, beginning of year	<u>158,561</u>	<u>158,561</u>	<u>-</u>	<u>80,505</u>	<u>80,505</u>	<u>-</u>
Fund balances, end of year	<u>\$ 135,560</u>	<u>\$ 119,767</u>	<u>\$ (15,793)</u>	<u>\$ 16,405</u>	<u>\$ 81,573</u>	<u>\$ 65,168</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Act 456 of 1964 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. Each Council is a non-profit, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with a significant portion of its revenue. The Council also receives revenue from other federal, state, and local government agencies which may impose some additional requirements.

The primary function of the Council on Aging 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. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 21 voluntary members who serve three-year terms, governs the Council.

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.

This report includes all funds and account groups which are controlled by or dependent on the Evangeline Council on Aging, Inc. Control by or dependence on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

Presentation of Statements

In April, 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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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. 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 the financial statements in this report, into two generic fund types and two broad fund categories (account groups).

Governmental Fund Types

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

Local tax funds are received from a tax levied on property in the parish and various local sources; such funds not being restricted to any special use.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Medicaid

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

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

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.

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 is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title III C-1 Congregate Meals Fund

Title III C-1 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 fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 1998 to June 30, 1999, the Council served about 20,996 congregate meals.

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. This fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1998 to June 30, 1999, the Council served about 91,376 home delivered meals.

Title III-D Fund

The Title 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.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). 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." Title III-F funds 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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. The Council operates two senior centers in Evangeline Parish, Louisiana.

Title III-B-Ombudsman Fund

The 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. Ombudsman 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.

Miscellaneous Grant

The Miscellaneous Grant Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

Senior Community Service Employment Fund (Title V)

The Senior Community Service Employment Fund is used to account for funds which are used to provide, foster, and promote useful part-time work opportunities in community service activities for low-income persons who are 55 years old and older. These funds are provided by the United States Department of Labor through the National Senior Citizens Education and Research Center, which in turn "passes through" the funds to the Council.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Account - Section 5311

Section 5311 funds for local transportation are provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development which in turn passes these funds to the Council via the City of Ville Platte. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

Special V Fund

The Special V program provides administrative costs to operate the Title V Program.

Energy Fund

The Energy 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, Inc. (LACOA) which in turn remits funds relating to Evangeline Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

Extra Five Fund

The Extra Five program funds come from the interest earned on the Title V program.

CHSP

The Congregate Housing Services Program (CHSP) Fund is used to account for the revenues and expenditures associated with services the Council provides, which includes: (1) to prevent premature or unnecessary institutionalization of the frail elderly, non-elderly disabled, and temporarily disabled, (2) to provide a variety of innovative approaches for the delivery of meals and non-medical supportive services while utilizing existing service programs and (3) to fill gaps in existing service systems and ensure availability of funding for meals, and appropriate services needed to maintain independent living.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Projects Fund

Capital Projects Fund is used to account for all resources for the construction of capital facilities by the Council.

The following fund comprises the Council's Capital Projects Fund:

Building Fund

This Fund accounts for the construction of the new administrative building and senior center. Construction was completed during July, 1995.

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the Debt Service Fund.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, Special Revenue, Debt Service, and Capital Projects 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 financing 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 susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

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 and payables.

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 Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

The Executive Director prepares a proposed budget based on the expected funding levels 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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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). 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 the 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. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations at the individual fund level.

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

Total Columns on 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.

Fixed Assets

Assets which cost at least \$250 and which have an estimated useful life of greater than one 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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

The Council's policy allows employees to carry forward 15 days of unused annual leave and 30 days of sick leave. Annual and sick leave accumulates at various rates determined by years of service. Accumulated annual leave is paid upon termination while sick leave is not paid. The liability for accumulated annual leave has been recorded in the General Long-Term Debt Account Group.

Related Party Transactions

There were no related party transactions noted during the fiscal year.

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.

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.

Prepaid Expenditures

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 expenditures recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 2 REVENUE RECOGNITION – INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

Intergovernmental

Intergovernmental revenues 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). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

Program Service Fees

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received. The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs.

Public Support and Miscellaneous Revenues

Utility assistance funds are provided from public donations via utility company programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. 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 receives funds from a property tax which was adopted by the voters of Evangeline Parish. The parish tax is levied each year by the Evangeline Parish Tax Assessor on November 15 based upon the assessed value on the previous January 1 of all real and business personal property within the Parish. The assessed value of the property on the tax rolls as of January 1, 1998 was \$113,251,611.

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.

During May (of the year after the year when the tax was due), properties with delinquent taxes are advertised for auction by the Parish Sheriff. The auction is normally scheduled for June or July. It is at this time a lien is placed on the property. Properties not sold at the auction are adjudicated to the State of Louisiana.

After considering tax exemptions, the net amount of property taxes received by the Council was \$111,244.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 4 CASH AND INTEREST-BEARING DEPOSITS

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds other than those required to maintain separate accounts. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end.

Under state law, the Council may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Council may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the Council has cash and interest bearing deposits (book balances) totaling \$121,052 as follows:

Demand deposits:

Consolidated checking account	\$ 113,741
Reserve Account	<u>7,311</u>
	<u>\$ 121,052</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount in deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1999, are secured as follows:

Bank balances	<u>\$ 140,964</u>
Federal deposit insurance	\$ 100,000
Pledged securities (Category 3)	<u>118,077</u>
Total	<u>\$ 218,077</u>

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Council's name. Even though the pledged securities are considered uncollateralized, (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Council that the fiscal agent has failed to pay deposited funds upon demand.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

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.

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.

	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>
Citizens Bank:			
Certificate of deposit	\$ 23,737	5.00%	12/2/99
Evangeline Bank & Trust:			
Certificate of deposit	33,293	4.85%	9/28/99
Louisiana Asset Management Pool:			
Money market account	<u>5,052</u>	4.64%	-
	<u>\$ 62,082</u>		

At June 30, 1999, the Council's investments consisted of the following:

All of the above deposits were covered by federal depository insurance (Category 1).

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year end.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 6 CHANGES IN GENERAL FIXED ASSETS

	<u>Balance</u> <u>July 1, 19998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 1999</u>
General fixed assets, at cost:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Furniture & equipment	167,540	85,719	23,825	229,434
Building	<u>267,810</u>	<u>-</u>	<u>-</u>	<u>267,810</u>
Total general fixed assets	<u>\$ 457,350</u>	<u>\$ 85,719</u>	<u>\$ 23,825</u>	<u>\$ 519,244</u>

NOTE 7 IN-KIND DONATIONS

The Council receives various in-kind contributions during the year which have been valued at their estimated fair market value and presented in this report as revenue. Related expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

NOTE 8 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 9 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.

NOTE 10 CHANGES IN LONG-TERM DEBT

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

	<u>Balance</u> <u>July 1, 1998</u>	<u>Principal</u>		<u>Balance</u> <u>June 30, 1999</u>
		<u>Additions</u>	<u>Deletions</u>	
Accrued annual leave	\$ 16,939	\$ -	\$ 9,541	\$ 7,398
Note payable	<u>255,972</u>	<u>-</u>	<u>4,657</u>	<u>251,315</u>
Total long-term debt	<u>\$ 272,911</u>	<u>\$ -</u>	<u>\$ 14,198</u>	<u>\$ 258,713</u>

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 10 CHANGES IN LONG-TERM DEBT (CONTINUED)

	<u>Unpaid Principal</u>
Due to the USDA Rural Development in the original amount of \$270,000, payable in 360 monthly installments of \$1,472, including interest of 5% per annum, secured by the administrative building and equipment.	\$ 251,315
Accrued annual leave is expected to be paid during the fiscal year-end June 30, 2000	<u>7,398</u>
	<u>\$ 258,713</u>

The annual requirements to amortize all debt outstanding at June 30, 1999, including interest payments of \$190,159, are as follows:

<u>Year ending June 30,</u>	
2000	\$ 25,062
2001	17,664
2002	17,664
2003	17,664
2004	17,664
2005 and thereafter	<u>353,154</u>
	<u>\$ 448,872</u>

NOTE 11 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 1999. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

NOTE 12 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 in which 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.

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 13 ECONOMIC DEPENDENCY

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana's Governor's Office of Elderly Affairs and the National Senior Citizens Education and Research Center. 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 14 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 15 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 1999:

	Funds transferring out:					Total
	Senior Center	Miscellaneous Grant	General	Special Account	Title V Senior AIDES	
Funds transferring in:						
Title III C-2	-	-	35,730	-	-	35,730
Title III-B	24,503	4,500	93,839	34,685	-	157,527
Title III-D	-	-	9,134	-	-	9,134
Ombudsman	-	-	450	-	-	450
Special Account	12,821	-	-	-	-	12,821
CHPS	-	-	6,000	-	-	6,000
Extra Five	-	-	-	-	187	187
	<u>\$ 37,324</u>	<u>\$ 4,500</u>	<u>\$ 145,153</u>	<u>\$ 34,685</u>	<u>\$ 187</u>	<u>\$ 221,849</u>

EVANGELINE COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 16 EXCESS EXPENDITURES OVER APPROPRIATIONS

At year-end, the Council has numerous funds whose expenditures exceeded appropriations. The individual funds and the amount of the excess expenditures are:

Title III C-2	<u>\$ 5,569</u>
Special Account	<u>\$ 6,774</u>
Special V	<u>\$ 13,515</u>
Energy	<u>\$ 881</u>
Extra Five	<u>\$ 116</u>

NOTE 17 RESERVED FUND BALANCE

Reserved fund balance represents amounts restricted for required expenditures and for the prepayment of future expenditures.

NOTE 18 FUND DEFICIT

The following individual fund has a deficit in fund balance at June 30, 1999:

Special Revenue Fund:	
CHSP	\$ 341

It is anticipated that the above deficit will be funded by excess revenues in subsequent periods.

SUPPLEMENTARY INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

EVANGELINE COUNCIL ON AGING, INC.

Combining Schedule of Program Revenues, Expenditures, and
Changes in Fund Balance - General Fund
Year Ended June 30, 1999

	Local	PCOA Act 735	Medicaid	Total
Revenues:				
Intergovernmental	\$ -	\$ 21,779	\$ 73,250	\$ 95,029
Local and Miscellaneous -				
Ad valorem taxes	96,127	-	-	96,127
State revenue sharing	14,797	-	-	14,797
Donations	4,061	-	-	4,061
Interest	3,211	-	-	3,211
Other	<u>3,185</u>	<u>-</u>	<u>-</u>	<u>3,185</u>
Total revenues	<u>121,381</u>	<u>21,779</u>	<u>73,250</u>	<u>216,410</u>
Expenditures:				
Current -				
Salaries	-	-	42,762	42,762
Fringe	-	-	3,518	3,518
Travel	11,248	-	421	11,669
Operating services	16,358	-	2,388	18,746
Operating supplies	1,432	-	258	1,690
Other costs	1,817	-	-	1,817
Capital outlay	<u>29,849</u>	<u>-</u>	<u>-</u>	<u>29,849</u>
Total expenditures	<u>60,704</u>	<u>-</u>	<u>49,347</u>	<u>110,051</u>
Excess of revenues over expenditures	60,677	21,779	23,903	106,359
Other financing uses:				
Operating transfers out	<u>(99,542)</u>	<u>(21,779)</u>	<u>(23,832)</u>	<u>(145,153)</u>
Excess (deficiency) of revenues over expenditures and other uses	(38,865)	-	71	(38,794)
Fund balance, beginning of year	<u>132,699</u>	<u>-</u>	<u>25,862</u>	<u>158,561</u>
Fund balance, end of year	<u>\$ 93,834</u>	<u>\$ -</u>	<u>\$ 25,933</u>	<u>\$ 119,767</u>

EVANGELINE COUNCIL ON AGING, INC.

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds
Year Ended June 30, 1999

	Title III-B	Title III-C-1	Title III-C-2	Title III-D	Title III-F	Senior Center
Revenues:						
Intergovernmental	\$ 78,507	\$ 26,432	\$ 45,319	\$ 2,219	\$ 3,537	\$ 29,982
Program	23,836	11,357	45,310	-	-	-
Local and miscellaneous	225	-	-	-	-	-
In-kind	-	-	-	-	-	-
Total revenues	<u>102,568</u>	<u>37,789</u>	<u>90,629</u>	<u>2,219</u>	<u>3,537</u>	<u>29,982</u>
Expenditures:						
Current -						
Salaries	141,457	24,164	69,771	8,241	-	-
Fringe	14,916	2,500	7,303	815	-	-
Travel	2,363	2,346	22,108	25	-	-
Operating services	65,509	5,210	17,242	1,497	-	5,218
Operating supplies	20,337	1,756	4,489	250	242	923
Other costs	15,513	1,813	5,446	525	-	-
Capital outlay	-	-	-	-	3,295	1,010
In-kind	-	-	-	-	-	-
Total expenditures	<u>260,095</u>	<u>37,789</u>	<u>126,359</u>	<u>11,353</u>	<u>3,537</u>	<u>7,151</u>
Excess (deficiency) of revenues over expenditures	<u>(157,527)</u>	<u>-</u>	<u>(35,730)</u>	<u>(9,134)</u>	<u>-</u>	<u>22,831</u>
Other financing sources (uses):						
Operating transfers in	157,527	-	35,730	9,134	-	-
Operating transfers out	-	-	-	-	-	(37,324)
Total other financing sources (uses)	<u>157,527</u>	<u>-</u>	<u>35,730</u>	<u>9,134</u>	<u>-</u>	<u>(37,324)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	(14,493)
Fund balances, beginning of year	-	-	-	-	-	14,493
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Ombudsman	Miscellaneous Grant	Title V Sr. AIDES	Special Account Section 5311	Special V	Energy	Extra Five	CHSP	Total
\$ 6,568	\$ 4,500	\$ 282,952	\$ 72,382	\$ -	\$ -	\$ -	\$ -	\$ 552,398
-	-	-	-	-	-	-	-	80,503
-	-	187	16,637	29,152	881	20	9,975	57,077
-	-	5,732	-	25,780	-	-	-	31,512
<u>6,568</u>	<u>4,500</u>	<u>288,871</u>	<u>89,019</u>	<u>54,932</u>	<u>881</u>	<u>20</u>	<u>9,975</u>	<u>721,490</u>
4,419	-	254,942	-	22,148	-	-	13,835	538,977
459	-	28,010	-	1,796	-	-	1,132	56,931
689	-	-	-	1,728	-	-	-	29,259
929	-	-	-	729	881	-	776	97,991
148	-	-	1,086	115	-	116	576	30,038
374	-	-	1,326	-	-	-	-	24,997
-	-	-	48,953	2,612	-	-	-	55,870
-	-	5,732	-	25,780	-	-	-	31,512
<u>7,018</u>	<u>-</u>	<u>288,684</u>	<u>51,365</u>	<u>54,908</u>	<u>881</u>	<u>116</u>	<u>16,319</u>	<u>865,575</u>
<u>(450)</u>	<u>4,500</u>	<u>187</u>	<u>37,654</u>	<u>24</u>	<u>-</u>	<u>(96)</u>	<u>(6,344)</u>	<u>(144,085)</u>
450	-	-	12,821	-	-	187	6,000	221,849
-	(4,500)	(187)	(34,685)	-	-	-	-	(76,696)
<u>450</u>	<u>(4,500)</u>	<u>(187)</u>	<u>(21,864)</u>	<u>-</u>	<u>-</u>	<u>187</u>	<u>6,000</u>	<u>145,153</u>
-	-	-	15,790	24	-	91	(344)	1,068
-	-	-	65,804	-	-	205	3	80,505
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,594</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 296</u>	<u>\$ (341)</u>	<u>\$ 81,573</u>

EVANGELINE COUNCIL ON AGING, INC

Schedule of Program Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-B</u>			
Salaries	\$ 140,174	\$ 141,457	\$ (1,283)
Fringe	15,138	14,916	222
Travel	2,031	2,363	(332)
Operating services	66,759	65,509	1,250
Operating supplies	21,191	20,337	854
Other costs	<u>14,935</u>	<u>15,513</u>	<u>(578)</u>
	<u>\$ 260,228</u>	<u>\$ 260,095</u>	<u>\$ 133</u>
<u>Title III C-1</u>			
Salaries	\$ 25,576	\$ 24,164	\$ 1,412
Fringe	2,658	2,500	158
Travel	2,492	2,346	146
Operating services	5,838	5,210	628
Operating supplies	1,671	1,756	(85)
Other costs	<u>1,931</u>	<u>1,813</u>	<u>118</u>
	<u>\$ 40,166</u>	<u>\$ 37,789</u>	<u>\$ 2,377</u>
<u>Title III C-2</u>			
Salaries	\$ 67,328	\$ 69,771	\$ (2,443)
Fringe	7,211	7,303	(92)
Travel	19,714	22,108	(2,394)
Operating services	16,379	17,242	(863)
Operating supplies	4,351	4,489	(138)
Other costs	<u>5,807</u>	<u>5,446</u>	<u>361</u>
	<u>\$ 120,790</u>	<u>\$ 126,359</u>	<u>\$ (5,569)</u>
<u>Title III-D</u>			
Salaries	\$ 8,454	\$ 8,241	\$ 213
Fringe	855	815	40
Travel	25	25	-
Operating services	1,497	1,497	-
Operating supplies	233	250	(17)
Other costs	<u>559</u>	<u>525</u>	<u>34</u>
	<u>\$ 11,623</u>	<u>\$ 11,353</u>	<u>\$ 270</u>

(Continued)

EVANGELINE COUNCIL ON AGING, INC

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds (Continued)
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>Title III-F</u>			
Operating supplies	\$ 242	\$ 242	\$ -
Capital outlay	<u>3,295</u>	<u>3,295</u>	<u>-</u>
	<u>\$ 3,537</u>	<u>\$ 3,537</u>	<u>\$ -</u>
<u>Senior Center</u>			
Operating services	\$ 5,391	\$ 5,218	\$ 173
Operating supplies	979	923	56
Capital outlay	<u>1,010</u>	<u>1,010</u>	<u>-</u>
	<u>\$ 7,380</u>	<u>\$ 7,151</u>	<u>\$ 229</u>
<u>Ombudsman</u>			
Salaries	\$ 4,923	\$ 4,419	\$ 504
Fringe	513	459	54
Travel	738	689	49
Operating services	1,132	929	203
Operating supplies	157	148	9
Other costs	<u>375</u>	<u>374</u>	<u>1</u>
	<u>\$ 7,838</u>	<u>\$ 7,018</u>	<u>\$ 820</u>
<u>Title V - Senior AIDES</u>			
Salaries	\$ 267,156	\$ 254,942	\$ 12,214
Fringe	36,493	28,010	8,483
Operating services	4,650	-	4,650
In-kind	<u>9,421</u>	<u>5,732</u>	<u>3,689</u>
	<u>\$ 317,720</u>	<u>\$ 288,684</u>	<u>\$ 29,036</u>
<u>Special Account - Section 5311</u>			
Operating supplies	\$ 1,000	\$ 1,086	\$ (86)
Other costs	43,591	1,326	42,265
Capital outlay	<u>-</u>	<u>48,953</u>	<u>(48,953)</u>
	<u>\$ 44,591</u>	<u>\$ 51,365</u>	<u>\$ (6,774)</u>

(Continued)

EVANGELINE COUNCIL ON AGING, INC

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds (Continued)
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<u>Special V</u>			
Salaries	\$ 21,849	\$ 22,148	\$ (299)
Fringe	1,773	1,796	(23)
Travel	1,991	1,728	263
Operating services	927	729	198
Operating supplies	-	115	(115)
Capital outlay	2,612	2,612	-
In-kind	<u>12,241</u>	<u>25,780</u>	<u>(13,539)</u>
	<u>\$ 41,393</u>	<u>\$ 54,908</u>	<u>\$ (13,515)</u>
<u>Energy</u>			
Operating services	<u>\$ -</u>	<u>\$ 881</u>	<u>\$ (881)</u>
<u>Extra Five</u>			
Operating supplies	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ (116)</u>
<u>CHSP</u>			
Salaries	\$ 13,802	\$ 13,835	\$ (33)
Fringe	1,131	1,132	(1)
Operating services	646	776	(130)
Operating supplies	<u>1,477</u>	<u>576</u>	<u>901</u>
	<u>\$ 17,056</u>	<u>\$ 16,319</u>	<u>\$ 737</u>

**INTERNAL CONTROL, COMPLIANCE
AND OTHER GRANT INFORMATION**



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

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Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Other Locations:

125 Rue Beauregard
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338.232.3312

1231 E. Laurel Avenue
Funic, LA 70535
338.457.4146

1701 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Megele
Abbeville, LA 70510
338.893.5470

The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

dsfcpas.com

We have audited the general purpose financial statements of the Evangeline Council on Aging, Inc., as of and for the year ended June 30, 1999, and have issued our report thereon dated September 9, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical Bulletin 98-1, "Disclosures about Year 2000 Issues". Except as discussed in the preceding sentence, 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; and Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

Compliance

As part of obtaining reasonable assurance about whether the Evangeline Council on Aging, Inc.'s general purpose 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 general purpose 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 Evangeline Council on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of *expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting*. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 Evangeline Council on Aging, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements

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Society of Louisiana
Certified Public Accountants

The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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 structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above as 99-1 is a material weakness.

This report is intended solely for the information and use of the board of directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Eunice, Louisiana
September 9, 1999



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance In Accordance with OMB Circular A-133

The Board of Directors
Evangeline Council on Aging, Inc.
Ville Platte, Louisiana

Compliance

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

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

In our opinion, the Evangeline Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

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Public Accountants
Society of Louisiana
Certified Public Accountants

Internal Control Over Compliance

The management of the Evangeline Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Evangeline Council on Aging, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Evangeline Council on Aging, Inc.'s ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not disclose all reportable conditions that are considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of findings and questioned costs as item 99-1 is a material weakness.

This report is intended solely for the information and use of the board of directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Dannall, Sikes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
September 9, 1999

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Expenditures of Federal Awards
Year Ended June 30, 1999

Program Title	Federal CFDA Number	Expenditures	Amounts to Subrecipients
<u>Department of Health & Human Services</u>			
Passed through the Louisiana Governor's Office of Elderly Affairs:			
Title III B-Supportive services	93.044	\$ 51,030	\$ -
Title III C-1-Congregate meals	93.045	22,467	-
Title III C-2-Home delivered meals	93.045	14,955	-
Title III D-In-home service	93.046	1,886	-
Title VII chapter 2 - Ombudsman	93.042	4,122	-
Title III F-Preventive Health Services	93.043	<u>3,006</u>	<u>-</u>
		<u>97,466</u>	<u>-</u>
<u>Department of Transportation & Development</u>			
Passed through the Louisiana Department of Transportation & Development:			
Section 5311 -FTA-Non Urbanized Area Public Transportation, Federal Project #LA-18-X016, State Project #741-20-0105			
	20.509	23,429	-
Section 5310 - Capital Assistance Program Federal Project #LA-16-0024 State Project #736-99-0464			
	20.513	22,278	-
Section 5309 Capital Assistance Program Federal Project #LA-03-0082, State Project #736-99-0625			
	20.513	<u>26,675</u>	<u>-</u>
		<u>72,382</u>	<u>-</u>
<u>Department of Labor</u>			
Passed through the National Senior Citizens Education and Research Center:			
Title V - Sr. AIDES	17.235	<u>283,308</u>	<u>-</u>
<u>Department Housing & Urban Development</u>			
Passed through the National Council of Senior Citizens:			
CHSP, Project #LA48-G940-007	14.170	<u>7,593</u>	<u>-</u>
		<u>460,749</u>	<u>-</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of the Evangeline Council on Aging, Inc. and is presented on the same basis of accounting as described in Note 1 to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations".

EVANGELINE COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings
Year Ended June 30, 1999

98-1 Finding: Inadequate Segregation of Accounting Functions
Status: This finding is unresolved. See current year finding 99-1.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 1999

Part 1 Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report

A qualified opinion has been issued on the Evangeline Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 1999. The qualified opinion is attributed to the omission of year 2000 compliance disclosures.

Reportable Conditions – Financial Reporting

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 99-1 in Part 2 and is considered a material weakness.

Material Noncompliance – Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statement.

FEDERAL AWARDS

Major Program Identification

The Evangeline Council on Aging, Inc. at June 30, 1999, had one major program: Title V - Senior AIDES, which received funds from the Department of Labor "passed through" the National Senior Citizens Education and Research Center.

Low-Risk Auditee

The Evangeline Council on Aging, Inc. is not considered a low-risk auditee for the year ended June 30, 1999.

Major Program – Threshold

The dollar threshold to distinguish Type A and Type B programs is \$300,000 for the year ended June 30, 1999.

Auditor's Report – Major Program

An unqualified opinion has been issued on the Evangeline Council on Aging, Inc.'s compliance for its major program as of and for the year ended June 30, 1999.

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 1999

Reportable Conditions – Major Program

There was one reportable condition as shown in Part 3 as item 99-1, noted during the audit of the major federal program. This reportable condition is considered a material weakness.

Compliance Finding Related to Major Program

The audit did not disclose any material noncompliance or questioned costs relative to its federal program.

Part 2 Findings Relating to an Audit in Accordance with Government Auditing Standards

99-1 Individual Segregation of Accounting Functions

Finding:

Due to the small number of accounting personnel, the Council did not have adequate segregation of functions within the accounting system.

Recommendation:

Based on the size of the operation and the cost-benefit of additional accounting personnel, it may not be feasible to achieve complete segregation of duties.

Part 3 Findings and Questioned Costs Relating to the Federal Programs

99-1 See description of finding in Part 2.

EVANGELINE COUNCIL ON AGING, INC.

Management's Corrective Action Plan For Current Year Findings
Year Ended June 30, 1999

Response to Finding 99-1:

No response is considered necessary.

OTHER SUPPLEMENTARY INFORMATION

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1999

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
General fixed assets, at cost:				
Land	\$ 22,000	\$ -	\$ -	\$ 22,000
Furniture & equipment	167,540	85,719	23,825	229,434
Building	<u>267,810</u>	<u>-</u>	<u>-</u>	<u>267,810</u>
 Total general fixed assets	 <u>\$ 457,350</u>	 <u>\$ 85,719</u>	 <u>\$ 23,825</u>	 <u>\$ 519,244</u>
Investments in general fixed assets:				
Title III B	\$ 8,382	\$ -	\$ -	\$ 8,382
Title III C-1	6,532	-	-	6,532
Title III C-2	5,885	-	-	5,885
Senior Center	6,691	1,010	-	7,701
Section 5310	68,076	48,953	19,666	97,363
Local	29,931	29,849	-	59,780
Title III F	9,260	3,295	-	12,555
Title III G	756	-	-	756
Title III D	948	-	-	948
Special Account	24,843	-	4,159	20,684
Ombudsman	311	-	-	311
Building	292,525	-	-	292,525
CAAA	1,336	-	-	1,336
CHSP	560	-	-	560
Title V	<u>1,314</u>	<u>2,612</u>	<u>-</u>	<u>3,926</u>
 Total investments in general fixed assets	 <u>\$ 457,350</u>	 <u>\$ 85,719</u>	 <u>\$ 23,825</u>	 <u>\$ 519,244</u>

EVANGELINE COUNCIL ON AGING, INC.

Schedule of Disbursements to Board Members
Year Ended June 30, 1999

The following board members were reimbursed for mileage and travel expenses while attending to business of the Council:

Monica DeVille	115
Ella Mae Fontenot	7
Irene Fontenot	58
Castell Harrell	50
Lola Pauline Johnson	28
Sylvia Veillon	<u>17</u>
Total	<u>\$ 322</u>