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MADISON COUNCIL ON AGING, INC.

FINANCIAL REPORT

YEAR ENDED JUNE 30, 1998

With

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

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MADISON COUNCIL ON AGING, INC.
Board of Directors

June 30, 1998

Carrie A. Scott, President	07/96 - 07/98
Kathleen Marshall, Vice President	07/97 - 07-98
Myrtle Whitney, Secretary	07/97 - 07/98
Evelyn Cummins	06/95 - 06/98
Debra May	10/95 - 10/98
William Givens	04/97 - 04/00
Lillie Bunch	08/97 - 08/00
Joseph Bosley	08/97 - 08/00
Cleotha Harris	05/96 - 05/99
Sidney Williams	07/97 - 07/00
Charles Dunn	07/97 - 07/00
Gladys Gibson	07/96 - 07/99

MADISON COUNCIL ON AGING, INC.
FINANCIAL REPORT
YEAR ENDED JUNE 30, 1998

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THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Madison Council on Aging, Inc.
Tallulah, Louisiana

We have audited the accompanying general purpose financial statements of Madison Council on Aging, Inc. as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of Madison Council on Aging, Inc.'s management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Madison Council on Aging, Inc. 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 October 22, 1998 on our consideration of Madison Council on Aging, Inc.'s internal control structure and a report dated October 22, 1998 on its compliance with laws and regulations.

The Halford Firm, PLLC

Vicksburg, Mississippi
October 22, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

MADISON COUNCIL ON AGING, INC.
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1998

	Governmental Fund Types	
	General	Special Revenues
<u>ASSETS</u>		
Cash	\$ 13,536	\$ 30,805
Grants receivable	-0-	7,340
Due from other funds	31,202	-0-
Inventory	-0-	1,058
Property and equipment	-0-	-0-
Amount to be provided for retirement of long-term debt	-0-	-0-
Total Assets	<u>\$ 44,738</u>	<u>\$ 39,203</u>
<u>LIABILITIES AND FUND EQUITY (DEFICIT)</u>		
LIABILITIES		
Accounts payable	\$ -0-	\$ 6,685
Due to other funds	-0-	31,202
Compensated absences payable	-0-	-0-
Notes payable	-0-	-0-
Due to state	-0-	-0-
Total Liabilities	<u>-0-</u>	<u>37,887</u>
FUND EQUITY (DEFICIT)		
Investment in general fixed assets	-0-	-0-
Fund equity (deficit)		
Unreserved	44,738	258
Reserved for inventory	-0-	1,058
Total Fund Equity (Deficit)	<u>44,738</u>	<u>1,316</u>
Total Liabilities and Fund Equity (Deficit)	<u>\$ 44,738</u>	<u>\$ 39,203</u>

The accompanying notes are an integral part of these financial statements.

Account Groups		Totals (Memorandum Only)	
General Fixed Assets	General Long-Term Debt	1998	1997
\$ -0-	\$ -0-	\$ 44,341	\$ 37,238
-0-	-0-	7,340	20,957
-0-	-0-	31,202	31,393
-0-	-0-	1,058	513
353,274	-0-	353,274	321,870
-0-	70,586	70,586	81,108
<u>\$ 353,274</u>	<u>\$ 70,586</u>	<u>\$ 507,801</u>	<u>\$ 493,079</u>
\$ -0-	\$ -0-	\$ 6,685	\$ 9,169
-0-	-0-	31,202	31,393
-0-	3,240	3,240	2,791
-0-	67,346	67,346	89,847
-0-	-0-	-0-	80
<u>-0-</u>	<u>70,586</u>	<u>108,473</u>	<u>133,280</u>
353,274	-0-	353,274	321,870
-0-	-0-	44,996	37,416
-0-	-0-	1,058	513
<u>353,274</u>	<u>-0-</u>	<u>399,328</u>	<u>359,799</u>
<u>\$ 353,274</u>	<u>\$ 70,586</u>	<u>\$ 507,801</u>	<u>\$ 493,079</u>

MADISON COUNCIL ON AGING, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1998

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Totals (Memorandum Only)</u>
REVENUES			
Federal grants	\$ -0-	\$ 160,189	\$ 160,189
State grants	-0-	194,375	194,375
Participant contributions	-0-	36,388	36,388
Local activities	19,650	1,535	21,185
Other income	-0-	2,217	2,217
Total Revenues	<u>19,650</u>	<u>394,704</u>	<u>414,354</u>
EXPENDITURES			
Current:			
Salaries	7,269	177,500	184,769
Fringe	194	40,572	40,766
Travel	2,699	2,406	5,105
Operating services	855	94,368	95,223
Operating supplies	2,613	16,502	19,115
Raw food	-0-	41,618	41,618
Non-edibles	-0-	7,986	7,986
Other costs	-0-	9,212	9,212
Capital outlay	-0-	2,435	2,435
Total Expenditures	<u>13,630</u>	<u>392,599</u>	<u>406,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,020</u>	<u>2,105</u>	<u>8,125</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	16,279	45,801	62,080
Operating transfers (out)	<u>(9,475)</u>	<u>(52,605)</u>	<u>(62,080)</u>
Total Other Financing Sources (Uses)	<u>6,804</u>	<u>(6,804)</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	12,824	(4,699)	8,125
FUND EQUITY (DEFICIT),			
beginning of year	<u>31,914</u>	<u>6,015</u>	<u>37,929</u>
FUND EQUITY (DEFICIT),			
end of year	<u>\$ 44,738</u>	<u>\$ 1,316</u>	<u>\$ 46,054</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES			
Federal grants	\$ 109,476	\$ 109,476	\$ -0-
State grants	178,423	161,218	(17,205)
Participant contributions	-0-	15,578	15,578
Local activities	-0-	1,535	1,535
Other income	-0-	269	269
	<u>287,899</u>	<u>288,076</u>	<u>177</u>
Total Revenues			
EXPENDITURES			
Current:			
Salaries	138,556	126,162	12,394
Fringe	24,141	25,380	(1,239)
Travel	3,260	1,136	2,124
Operating services	53,752	74,780	(21,028)
Operating supplies	57,100	11,541	45,559
Raw food	-0-	41,618	(41,618)
Non-edibles	-0-	7,986	(7,986)
Other costs	3,695	7,262	(3,567)
Capital outlay	7,395	2,435	4,960
	<u>287,899</u>	<u>298,300</u>	<u>(10,401)</u>
Total Expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>-0-</u>	<u>(10,224)</u>	<u>(10,224)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	15,491	45,801	30,310
Operating transfers (out)	<u>(15,491)</u>	<u>(37,337)</u>	<u>(21,846)</u>
	<u>-0-</u>	<u>8,464</u>	<u>8,464</u>
Total Other Financing Sources (Uses)			
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>-0-</u>	<u>(1,760)</u>	<u>(1,760)</u>
FUND EQUITY (DEFICIT), beginning of year			
	<u>6,015</u>	<u>9,232</u>	<u>3,217</u>
FUND EQUITY (DEFICIT), end of year			
	<u>\$ 6,015</u>	<u>\$ 7,472</u>	<u>\$ 1,457</u>

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

MADISON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The primary function of the Madison 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 peoples of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, senior centers operations and transportation. A Board of Directors consisting of 12 voluntary members who serve three-year terms governs the Council.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Madison 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, which provides most of its revenues. The Council also receives revenues from other federal, state and local government agencies which may impose certain restrictions on how the funds may be used.

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.

C. Presentation of Statements

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In November of 1984, the GASB issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments.

MADISON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Presentation of Statements (continued)

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.

D. Fund Accounting

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into two generic fund types and two broad fund categories (account groups). The governmental funds and the programs comprising them as presented in the financial statements are described as follows:

Governmental Fund Types

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.

Special Revenue Funds:

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

Account Groups

An account group is a financial reporting device designed to prove 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".

MADISON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of Madison 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.

E. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The governmental fund types are accounted for using the modified accrual basis of accounting. Their revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

F. Budgets and Budgetary Accounting

Budgets for certain special revenue programs are prepared by the Council's executive staff and, after approval by the Board of Directors, are submitted to the Governor's Office of Elderly Affairs for approval. Budget appropriations lapse at the end of the program year.

Budgets for Helping Hands, Gas Assistance, Title XIX Medical Assistance, Section 18 Special Revenue Funds and the General Fund are not prepared because they are not legally required and the amount of revenue to be received could not be determined.

MADISON COUNCIL ON AGING, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Interfund Transactions

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 receivable/payables.

H. Compensated Absences

It is the Council's policy to permit employees to accumulate a maximum of 40 hours of earned but unused vacation leave, which will be paid to employees upon separation from the Council's service. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt account group. No expenditure is reported for these amounts.

I. Fixed Assets

All fixed assets are stated at historical cost or established historical cost, if actual historical cost is not available. Donated fixed assets are stated at their established fair market value on the date donated. No depreciation has been provided on general fixed assets.

J. Long-Term Liabilities

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

K. Grants

Resources from government grants are recorded in revenue as expenses are incurred.

L. Income Tax Status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

MADISON COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Encumbrances

The Council does not utilize the encumbrance method of accounting.

N. Total Columns

Total columns are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 1998, the carrying amount (recorded on the Council's books) of the Council's demand deposits was \$44,341 and was insured by the FDIC.

NOTE 3. DUE TO AND DUE FROM OTHER FUNDS

As of June 30, 1998 interfund receivables and payables that resulted from interfund transactions were as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 31,202	\$ -0-
Special Revenue Funds: Section 18	-0-	31,202
	\$ 31,202	\$ 31,202

NOTE 4. GRANTS RECEIVABLE

Grants receivable at June 30, 1998 consisted of:

<u>Program</u>	<u>Fund</u>	<u>Amount</u>
Title III-C-1	Special Revenue	\$ 2,983
Title XIX Medical Transportation	Special Revenue	4,357
Total		\$ 7,340

MADISON COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 1998

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

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

	<u>Balance</u> <u>6/30/97</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>6/30/98</u>
Real estate	\$ 126,927	\$ -0-	\$ -0-	\$ 126,927
Improvements other than building	1,248	-0-	-0-	1,248
Equipment	<u>193,695</u>	<u>31,404</u>	<u>-0-</u>	<u>225,099</u>
Total	<u>\$ 321,870</u>	<u>\$ 31,404</u>	<u>\$ -0-</u>	<u>\$ 353,274</u>

NOTE 6. BOARD OF DIRECTORS COMPENSATION

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

NOTE 7. CHANGES IN LONG-TERM DEBT

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

	<u>Balance</u> <u>6/30/97</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>6/30/98</u>
Accumulated unpaid vacations	\$ 2,791	\$ 449	\$ -0-	\$ 3,240
Notes payable	<u>78,317</u>	<u>-0-</u>	<u>10,971</u>	<u>67,346</u>
Total long-term debt	<u>\$ 81,108</u>	<u>\$ 449</u>	<u>\$ 10,971</u>	<u>\$ 70,586</u>

NOTE 8. JUDGMENTS, CLAIMS AND SIMILAR CONTINGENCIES

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

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. 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.

MADISON COUNCIL ON AGING, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEAR ENDED JUNE 30, 1998

NOTE 9. 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 fiscal year 1999.

NOTE 10. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for the year ending June 30, 1998:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ 16,279	\$ 9,475
Special Revenue Funds:		
Title III-B	15,191	-0-
Title III-C-1	5,721	6,223
Title III-C-2	22,951	-0-
Title III-D	-0-	940
Senior Center	-0-	13,895
Title XIX Medical	-0-	15,268
Transportation		
PCOA (Act 735)	-0-	11,779
Audit	1,938	-0-
Miscellaneous grant	-0-	4,500
Total Special Revenue Funds	<u>45,801</u>	<u>52,605</u>
	<u>\$ 62,080</u>	<u>\$ 62,080</u>

ADDITIONAL INFORMATION

MADISON COUNCIL ON AGING, INC.
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS
 JUNE 30, 1998

	<u>Title III-B Supportive Services</u>	<u>AAA</u>	<u>Title III-C-1</u>	<u>Title III-C-2</u>	<u>Title III-D</u>	<u>Senior Center</u>
ASSETS						
Cash	\$ 1,353	\$ (186)	\$ 5,737	\$ 2,955	\$ 4	\$ 107
Grants receivable	-0-	-0-	2,983	-0-	-0-	-0-
Inventory	-0-	-0-	1,058	-0-	-0-	-0-
Total Assets	<u>\$ 1,353</u>	<u>\$ (186)</u>	<u>\$ 9,778</u>	<u>\$ 2,955</u>	<u>\$ 4</u>	<u>\$ 107</u>
LIABILITIES AND FUND EQUITY (DEFICIT)						
LIABILITIES:						
Accounts payable	\$ 1,353	\$ 94	\$ 2,172	\$ 2,955	\$ 4	\$ 107
Due to other funds	-0-	-0-	-0-	-0-	-0-	-0-
Total Liabilities	<u>1,353</u>	<u>94</u>	<u>2,172</u>	<u>2,955</u>	<u>4</u>	<u>107</u>
FUND EQUITY (DEFICIT)						
Unreserved	-0-	(280)	6,548	-0-	-0-	-0-
Reserved	-0-	-0-	1,058	-0-	<u>\$ -0-</u>	-0-
Total Fund Equity (Deficit)	<u>-0-</u>	<u>(280)</u>	<u>7,606</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Liabilities and Fund Equity (Deficit)	<u>\$ 1,353</u>	<u>\$ (186)</u>	<u>\$ 9,778</u>	<u>\$ 2,955</u>	<u>\$ 4</u>	<u>\$ 107</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - continued
 JUNE 30, 1998

	<u>Gas Assistance</u>	<u>Helping Hands</u>	<u>Title XIX Medical Transportation</u>	<u>735 (PCOA)</u>	<u>Audit</u>	<u>Section 18</u>
<u>ASSETS</u>						
Cash	\$ 4,530	\$ 4	\$ -0-	\$ -0-	\$ -0-	\$ 16,155
Grants receivable	-0-	-0-	4,357	-0-	-0-	-0-
Inventory	-0-	-0-	-0-	-0-	-0-	-0-
Total Assets	<u>\$ 4,530</u>	<u>\$ 4</u>	<u>\$ 4,357</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,155</u>
<u>LIABILITIES AND FUND EQUITY (DEFICIT)</u>						
LIABILITIES:						
Accounts payable	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Due to other funds	-0-	-0-	-0-	-0-	-0-	31,202
Total Liabilities	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>31,202</u>
FUND EQUITY (DEFICIT)						
Unreserved	4,530	4	4,357	-0-	-0-	(15,047)
Reserved	-0-	-0-	-0-	-0-	-0-	-0-
Total Fund Equity (Deficit)	<u>4,530</u>	<u>4</u>	<u>4,357</u>	<u>-0-</u>	<u>-0-</u>	<u>(15,047)</u>
Total Liabilities and Fund Equity (Deficit)	<u>\$ 4,530</u>	<u>\$ 4</u>	<u>\$ 4,357</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 16,155</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS - continued
 JUNE 30, 1998

	<u>Title III-F</u>	<u>Misc. Grant</u>	<u>Total Special Revenue</u>
<u>ASSETS</u>			
Cash	\$ 146	\$ -0-	\$ 30,805
Grants receivable	-0-	-0-	7,340
Inventory	<u>-0-</u>	<u>-0-</u>	<u>1,058</u>
Total Assets	<u>\$ 146</u>	<u>\$ -0-</u>	<u>\$ 39,203</u>
<u>LIABILITIES AND FUND EQUITY (DEFICIT)</u>			
LIABILITIES:			
Accounts payable	\$ -0-	\$ -0-	\$ 6,685
Due to other funds	<u>-0-</u>	<u>-0-</u>	<u>31,202</u>
Total Liabilities	<u>-0-</u>	<u>-0-</u>	<u>37,887</u>
<u>FUND EQUITY (DEFICIT)</u>			
Unreserved	146	-0-	258
Reserved	<u>-0-</u>	<u>-0-</u>	<u>1,058</u>
Total Fund Equity (Deficit)	<u>146</u>	<u>-0-</u>	<u>1,316</u>
Total Liabilities and Fund Equity (Deficit)	<u>\$ 146</u>	<u>\$ -0-</u>	<u>\$ 39,203</u>

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 1998

	Title III-B Supportive Services	AAA	Title III-C-1	Title III-C-2	Title III-D	Senior Center
REVENUES						
Federal grants	\$ 32,215	\$ 9,536	\$ 47,075	\$ 17,168	\$ 1,564	\$ -0-
State grants	43,712	3,179	17,557	59,285	276	18,530
Participant contributions	-0-	-0-	8,814	6,764	-0-	-0-
Local activities	1,535	-0-	-0-	-0-	-0-	-0-
Other income	-0-	-0-	269	-0-	-0-	-0-
Total Revenues	<u>77,462</u>	<u>12,715</u>	<u>73,715</u>	<u>83,217</u>	<u>1,840</u>	<u>18,530</u>
EXPENDITURES						
Current:						
Salaries	46,260	6,470	25,531	47,600	301	-0-
Fringe	9,170	1,335	5,179	9,634	62	-0-
Travel	309	97	304	421	5	-0-
Operating services	30,114	4,462	20,189	11,399	473	4,143
Operating supplies	3,530	336	2,594	4,540	49	492
Raw Food	-0-	-0-	16,266	25,352	-0-	-0-
Non-edibles	-0-	-0-	3,175	4,811	-0-	-0-
Other costs	2,945	295	1,601	2,411	10	-0-
Capital outlay	325	-0-	-0-	-0-	-0-	-0-
Total Expenditures	<u>92,653</u>	<u>12,995</u>	<u>74,839</u>	<u>106,168</u>	<u>900</u>	<u>4,635</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,191)</u>	<u>(280)</u>	<u>(1,124)</u>	<u>(22,951)</u>	<u>940</u>	<u>13,895</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	15,191	-0-	5,721	22,951	-0-	-0-
Operating transfers (out)	-0-	-0-	(6,223)	-0-	(940)	(13,895)
Total Other Financing Sources (Uses)	<u>15,191</u>	<u>-0-</u>	<u>(502)</u>	<u>22,951</u>	<u>(940)</u>	<u>(13,895)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-0-	(280)	(1,626)	-0-	-0-	-0-
FUND EQUITY (DEFICIT), beginning of year	<u>-0-</u>	<u>-0-</u>	<u>9,232</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
FUND EQUITY (DEFICIT), end of year	<u>\$ -0-</u>	<u>\$ (280)</u>	<u>\$ 7,606</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS - continued
 YEAR ENDED JUNE 30, 1998

	<u>Gas Assistance</u>	<u>Helping Hands</u>	<u>Title XIX Medical Transportation</u>	<u>PCOA (Act 735)</u>	<u>Audit</u>	<u>Section 18</u>
REVENUES						
Federal grants	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 50,713
State grants	-0-	-0-	33,157	11,779	2,062	-0-
Participant contributions	-0-	-0-	-0-	-0-	-0-	20,810
Local activities	-0-	-0-	-0-	-0-	-0-	-0-
Other income	1,948	-0-	-0-	-0-	-0-	-0-
Total Revenues	<u>1,948</u>	<u>-0-</u>	<u>33,157</u>	<u>11,779</u>	<u>2,062</u>	<u>71,523</u>
EXPENDITURES						
Current:						
Salaries	-0-	-0-	17,180	-0-	-0-	34,158
Fringe	-0-	-0-	3,695	-0-	-0-	11,497
Travel	-0-	-0-	-0-	-0-	-0-	1,270
Operating services	650	-0-	2,424	-0-	4,000	16,514
Operating supplies	-0-	-0-	4,961	-0-	-0-	-0-
Raw Food	-0-	-0-	-0-	-0-	-0-	-0-
Non-edibles	-0-	-0-	-0-	-0-	-0-	-0-
Other costs	-0-	-0-	-0-	-0-	-0-	1,950
Capital outlay	-0-	-0-	-0-	-0-	-0-	-0-
Total Expenditures	<u>650</u>	<u>-0-</u>	<u>28,260</u>	<u>-0-</u>	<u>4,000</u>	<u>65,389</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,298</u>	<u>-0-</u>	<u>4,897</u>	<u>11,779</u>	<u>(1,938)</u>	<u>6,134</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-0-	-0-	-0-	-0-	1,938	-0-
Operating transfers (out)	-0-	-0-	(15,268)	(11,779)	-0-	-0-
Total Other Financing Sources (Uses)	<u>-0-</u>	<u>-0-</u>	<u>(15,268)</u>	<u>(11,779)</u>	<u>1,938</u>	<u>-0-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>1,298</u>	<u>-0-</u>	<u>(10,371)</u>	<u>-0-</u>	<u>-0-</u>	<u>6,134</u>
FUND EQUITY (DEFICIT), beginning of year	<u>3,232</u>	<u>4</u>	<u>14,728</u>	<u>-0-</u>	<u>-0-</u>	<u>(21,181)</u>
FUND EQUITY (DEFICIT), end of year	<u>\$ 4,530</u>	<u>\$ 4</u>	<u>\$ 4,357</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ (15,047)</u>

(continued)

The accompanying notes are an integral part of these financial statements.

MADISON COUNCIL ON AGING, INC.
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - SPECIAL REVENUE FUNDS - continued
 YEAR ENDED JUNE 30, 1998

	Title III-F	Misc. Grants	Total Special Revenue
REVENUES			
Federal grants	\$ 1,918	\$ -0-	\$ 160,189
State grants	338	4,500	194,375
Participant contributions	-0-	-0-	36,388
Local activities	-0-	-0-	1,535
Other income	-0-	-0-	2,217
	<u>2,256</u>	<u>4,500</u>	<u>394,704</u>
EXPENDITURES			
Current:			
Salaries	-0-	-0-	177,500
Fringe	-0-	-0-	40,572
Travel	-0-	-0-	2,406
Operating services	-0-	-0-	94,368
Operating supplies	-0-	-0-	16,502
Raw Food	-0-	-0-	41,618
Non-edibles	-0-	-0-	7,986
Other costs	-0-	-0-	9,212
Capital outlay	2,110	-0-	2,435
	<u>2,110</u>	<u>-0-</u>	<u>392,599</u>
Excess (deficiency) of revenues over (under) expenditures	<u>146</u>	<u>4,500</u>	<u>2,105</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-0-	-0-	45,801
Operating transfers (out)	-0-	(4,500)	(52,605)
	<u>-0-</u>	<u>(4,500)</u>	<u>(6,804)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>146</u>	<u>-0-</u>	<u>(4,699)</u>
FUND EQUITY (DEFICIT), beginning of year			
	<u>-0-</u>	<u>-0-</u>	<u>6,015</u>
FUND EQUITY (DEFICIT), end of year			
	<u>\$ 146</u>	<u>\$ -0-</u>	<u>\$ 1,316</u>

(continued)

The accompanying notes are an integral part of these financial statements.

SUPPLEMENTAL INFORMATION

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

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

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

To the Board of Directors
Madison Council on Aging, Inc.
Tallulah, Louisiana

We have audited the general purpose financial statements of Madison Council on Aging, Inc. as of and for the year ended June 30, 1998, and have issued our report thereon dated October 22, 1998.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of Madison Council on Aging, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with managements's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of Madison Council on Aging, Inc. for the year ended June 30, 1998 we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

The Council has numerous bank accounts, however, only the transactions from the main operating account were recorded in the general ledger.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities 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 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 none of the reportable conditions described above is a material weakness.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Elderly Affairs.

The Halford Firm, PLLC

Vicksburg, Mississippi
October 22, 1998

THE HALFORD FIRM, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

Members
American Institute of
Certified Public Accountants

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

Mississippi Society of
Certified Public Accountants

Louisiana Society of
Certified Public Accountants

To the Board of Directors
Madison Council on Aging, Inc.
Tallulah, Louisiana

We have audited the general purpose financial statements of Madison Council on Aging, Inc. as of and for the year ended June 30, 1998, and have issued our report dated October 22, 1998.

We conducted our audit in accordance with generally accepted auditing standards and 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 misstatements.

Compliance with laws, regulations, contracts, and grants applicable to Madison Council on Aging, Inc. is the responsibility of the Council's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Council's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended for the information of the Board of Directors, management, and the Governor's Office of Elderly Affairs.

The Halford Firm, PLLC

Vicksburg, Mississippi
October 22, 1998

MADISON COUNCIL ON AGING, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 1998

As required by the Office of Legislative Auditor, Madison Council on Aging, Inc. has prepared and hereby submits the following corrective action plan for the reportable condition included in the report on internal controls for the year ended June 30, 1998:

Reportable condition:

The Council has numerous bank accounts. However, only the transactions from the main operating account were recorded in the general ledger.

Corrective action:

The transactions from all bank accounts will be recorded in the general ledger.