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Financial Report
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana
June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, 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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The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 1999

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana.

I have audited the accompanying general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, 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. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, 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*, I have also issued a report dated October 4, 1999, on my consideration of The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was made for the purpose of forming an opinion on the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, taken as a whole. The accompanying schedules 1 through 5, listed in the table of contents as supplementary information, are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the general purpose financial statements. The information in Schedules 1 through 5 has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole. The disclosure about the Year 2000 issue in Schedule 6 of the supplementary information is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standard Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information in Schedule 6. However, I did not audit the information in Schedule 6 and express no opinion on it. In addition, I do not provide assurance that The Tangipahoa Parish Voluntary Council on Aging is or will become year 2000 compliant, that The Tangipahoa Parish Voluntary Council on Aging's year 2000 remediation efforts will be successful in whole or in part, or that parties with which The Tangipahoa Parish Voluntary Council on Aging does business are or will become year 2000 compliant.

Baton Rouge, Louisiana,
October 4, 1999.

Neil H. Ferrari, CPA

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

To the Board of Directors,
The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana.

I have audited the general purpose financial statements of The Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated October 4, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing my audit, I considered The Tangipahoa Parish Voluntary Council on Aging's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving internal control over financial reporting and its

operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect The Tangipahoa Parish Voluntary Council on Aging's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. 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 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I do not consider reportable condition 99-1 referred to above to be a material weakness.

This report is intended for the information and use of the Council's board of directors, management, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
October 4, 1999.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 1999

With Comparative Totals for the Year Ended June 30, 1998

	Governmental Fund Types		Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long-term Debt	1999	1998
ASSETS AND OTHER DEBITS						
Assets:						
Cash	\$ 94,416	\$ 14,981	\$ 0	\$ 0	\$ 109,397	\$ 105,621
Government grants and contracts receivable	0	21,668	0	0	21,668	31,158
Accounts receivable	5,278	0	0	0	5,278	6,615
Prepaid expenses	12,823	0	0	0	12,823	860
Due from Special Revenue funds	21,668	0	0	0	21,668	35,514
Restricted assets:						
Cash	9,889	2,106	0	0	11,995	832
Accounts receivable	0	0	0	0	0	851
Vehicle purchase deposits	13,691	0	0	0	13,691	9,478
Fixed assets	0	0	251,055	0	251,055	232,098
Other debits:						
Amount to be provided to retire long-term debt	0	0	0	9,442	9,442	14,086
Total assets and other debits	\$ 157,765	\$ 38,755	\$ 251,055	\$ 9,442	\$ 457,017	\$ 437,113
LIABILITIES, FUND EQUITY, AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 4	\$ 0	\$ 0	\$ 0	\$ 4	\$ 5,307
Due to General Fund	0	21,668	0	0	21,668	35,514
Deferred grant revenue	0	13,801	0	0	13,801	14,250
Accumulated unpaid vacation	0	0	0	9,442	9,442	14,086
Total liabilities	4	35,469	0	9,442	44,915	69,157
Fund Equity and Other Credits:						
Fund balances:						
Reserved for:						
Vehicle purchases	27,381	0	0	0	27,381	9,478
Utility assistance	0	2,106	0	0	2,106	1,683
Prepaid expenditures	12,823	0	0	0	12,823	860
Congregate & home-delivered meals	9,889	0	0	0	9,889	0
Unreserved - undesignated	107,668	1,180	0	0	108,848	123,837
Investment in general fixed assets	0	0	251,055	0	251,055	232,098
Total fund equity and other credits	157,761	3,286	251,055	0	412,102	367,956
Total liabilities, fund equity and other credits	\$ 157,765	\$ 38,755	\$ 251,055	\$ 9,442	\$ 457,017	\$ 437,113

The accompanying notes are an integral part of this statement.

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

With Comparative Totals for the Year Ended June 30, 1998

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
REVENUES				
Intergovernmental	\$ 96,352	\$ 421,507	\$ 517,859	\$ 511,698
Public Support	32,971	52,920	85,891	80,562
Program Service Fees	44,944	8,932	53,876	49,351
Interest Income	2,242	187	2,429	2,467
Miscellaneous	2,334	296	2,630	2,849
In-kind Contributions	57,768	48,832	106,600	88,100
Total revenues	236,611	532,674	769,285	735,027
EXPENDITURES				
Current:				
Personnel	53,770	341,022	394,792	368,612
Fringe	5,049	33,191	38,240	37,038
Travel	1,975	9,974	11,949	15,350
Operating Services	7,768	59,656	67,424	76,270
Operating Supplies	3,108	23,988	27,096	27,979
Other Costs	13,474	14,536	28,010	24,308
Meals	0	17,481	17,481	18,835
Full Service	0	0	0	23,147
Capital Outlay	20,046	22,114	42,160	72,396
Utility Assistance	0	11,773	11,773	10,808
Interest Expense	1,071	0	1,071	0
In-kind Expenses	57,768	48,832	106,600	88,100
Total expenditures	164,029	582,567	746,596	762,843
Excess of revenues over(under) expenditures	72,582	(49,893)	22,689	(27,816)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	47,789	210,063	257,852	264,685
Operating transfers out	(98,485)	(159,367)	(257,852)	(264,685)
Proceeds from sale of fixed assets	2,500	0	2,500	2,000
Excess of revenues and other sources over(under) expenditures and other uses	24,386	803	25,189	(25,816)
FUND BALANCES				
Beginning of year	133,375	2,483	135,858	161,674
End of year	\$ 157,761	\$ 3,286	\$ 161,047	\$ 135,858

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 85,102	\$ 96,352	\$ 11,250
Public Support	29,000	32,971	3,971
Program Service Fees	60,766	44,944	(15,822)
Interest Income	2,100	2,242	142
Miscellaneous	2,000	2,334	334
In-kind Contributions	58,630	57,768	(862)
	237,598	236,611	(987)
<u>EXPENDITURES</u>			
Current:			
Personnel	142,848	53,770	89,078
Fringe	14,422	5,049	9,373
Travel	4,118	1,975	2,143
Operating Services	35,768	7,768	28,000
Operating Supplies	12,761	3,108	9,653
Other Costs	15,589	13,474	2,115
Meals	0	0	0
Capital Outlay	16,298	20,046	(3,748)
Interest Expense	0	1,071	(1,071)
In-kind Expenses	58,630	57,768	862
	300,434	164,029	136,405
Excess of revenues over(under) expenditures	(62,836)	72,582	135,418
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	168,686	47,789	(120,897)
Operating transfers out	(85,640)	(98,485)	(12,845)
Proceeds from sale of fixed assets	0	2,500	2,500
	20,210	24,386	\$ 4,176
<u>FUND BALANCES</u>			
Beginning of year	133,375	133,375	
End of year	\$ 153,585	\$ 157,761	

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL - SPECIAL REVENUE FUND TYPE**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 421,012	\$ 421,507	\$ 495
Public Support	50,534	52,920	2,386
Program Service Fees	0	8,932	8,932
Interest Income	346	187	(159)
Miscellaneous	0	296	296
In-kind Contributions	47,970	48,832	862
	<u>519,862</u>	<u>532,674</u>	<u>12,812</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	249,224	341,022	(91,798)
Fringe	23,164	33,191	(10,027)
Travel	8,632	9,974	(1,342)
Operating Services	38,246	59,656	(21,410)
Operating Supplies	13,138	23,988	(10,850)
Other Costs	7,850	14,536	(6,686)
Meals	14,478	17,481	(3,003)
Capital Outlay	22,114	22,114	0
Utility Assistance	12,000	11,773	227
In-kind Expenses	47,970	48,832	(862)
	<u>436,816</u>	<u>582,567</u>	<u>(145,751)</u>
Excess of revenues over(under) expenditures	83,046	(49,893)	(132,939)
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	70,770	210,063	139,293
Operating transfers out	(153,816)	(159,367)	(5,551)
Excess of revenues and other sources over(under) expenditures and other uses	0	803	<u>\$ 803</u>
<u>FUND BALANCES</u>			
Beginning of year	<u>2,483</u>	<u>2,483</u>	
End of year	<u>\$ 2,483</u>	<u>\$ 3,286</u>	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 1999

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on the 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 Louisiana Governor's Office of Elderly Affairs (GOEA). The Tangipahoa Parish Voluntary Council on Aging (TVCOA) is a non-profit, quasi-public corporation, which must comply with the policies and regulations established by the Louisiana Governor's Office of Elderly Affairs and the State of Louisiana.

The primary function of The Tangipahoa Parish Voluntary 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. Such services include providing meals, nutritional education, recreation, information and assistance services, homemakers, case management, outreach, telephoning, wellness, personal care, operating senior centers and transportation. A Board of Directors consisting of 15 voluntary members, who serve three-year terms, governs the Council.

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

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

b. Presentation of Statements:

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

The accompanying financial statements conform to generally accepted accounting principles for state and local governments. These statements have also incorporated any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants; Subsection VIII - Annual Financial Reporting, accounting manual for Governor's Office of Elderly Affairs Contractors; and, the Louisiana Governmental Audit Guide.

c. Fund Accounting:

The Council uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities.

The accounts of the Council are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be

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

c. Fund Accounting: (continued)

spent and the means by which spending activities are controlled. The various funds are grouped in these financial statements into two generic fund types and two broad fund categories (account groups).

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 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

Funds received from various local sources, such as; the Tangipahoa Parish Council, City of Hammond, Town of Kentwood, the United Way, donations from the general public, fund raisers, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. Most of these funds are not restricted to any special use and may be used at the Council's discretion. Some funds are restricted as to use and are accounted for in the General Fund if a Special Revenue Fund is not required or deemed necessary. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

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

c. Fund Accounting: (continued)

◆ General Fund -(continued)

Local - (continued)

Local funds are also used as transfers to other programs in cases where costs exceed revenues. In addition, capital outlay expenditures are usually paid for with local funds.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs. The Council may use these "Act 735" funds at its discretion provided the program is benefitting people who are at least 60 years old. In fiscal year 1999, the Council transferred its PCOA funds to the Title IIIB, Title III D, Adult Day Care, and Case Management programs to help provide extra funds to meet the costs of providing services in these programs.

Senior Center Activities

The Council operates senior centers in Hammond, Tickfaw, Amite, Kentwood, Independence, and Ponchatoula. The participants at each of these centers solicit public support and raise funds through activities to help offset the cost of activities that are not paid for through the primary grant to operate senior centers from the Capital Area Agency on Aging - District II, Inc. (CAAA). Examples of the types of activities used to raise these funds include craft sales, ceramic sales, and soft drink sales. There is no restriction on how the net proceeds of these activities are used. The revenues and related expenses for each senior center's non-program activities are maintained in separate accounts within the Council's general ledger.

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

c. Fund Accounting: (continued)

◆ General Fund - (continued)

Local Transportation

The Council also provides local transportation services to agencies and to residents of Tangipahoa Parish for a fee. These program service fees and their related costs are accounted for within the local transportation program of the General Fund in cases where the person being transported was not eligible for transportation services under the Title III B program. Fees and costs related to Title III B participants are accounted for in that fund. Transportation services are provided on a demand/response, first come, first served, non-emergency basis.

Case Management

The Council 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 the services and is paid a fee by Medicaid to perform the case management function. During this fiscal year the Council provided case management services to 8 people.

The Council also provided another service under this program wherein the Council completed enrollment applications for people wanting to apply for Medicaid services. The Council was paid \$14 per application it completed. During this fiscal year the Council completed 527 applications.

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

c. Fund Accounting: (continued)

◆ General Fund - (continued)

Adult Day Care

The Council began to provide Adult Day Care services in May, 1999, at its Hammond senior center. The purpose of this service is to provide a facility where elderly family members can be brought and cared for to allow other family members time to attend to personal matters and to give them relief from having to constantly attend to the elderly member's needs. The Council's management believes the demand for this service will continue to grow in future years.

◆ 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. Most of the Council's special revenue funds are provided by Capital Area Agency on Aging - District II, Inc. (CAAA). The Title III funds which the Council receives are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council via the CAAA.

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

Title III-B Fund

The Title III B Fund is used to account for funds which are to provide for a variety of supportive services, such as; information and assistance, case management, outreach services, homemaker services, recreation services, telephone services, and transportation for people age 60 or older.

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

c. Fund Accounting: (continued)

◆ Special Revenue Funds - (continued)

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers throughout Tangipahoa Parish. The Council maintains meal-sites in Amite, Independence, Tickfaw, Kentwood, Hammond, and Ponchatoula. During the year the Council provided 42,473 meals to people eligible to participate in this program.

Title III C-2 Fund

The Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound people who are age 60 or older. During the year the Council provided 68,733 meals, not including meals paid for with FEMA funds, to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail, elderly person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims. During the year the Council provided 513 units of personal care to eligible participants in this program.

Title III F Fund

The Title III F Fund is used to account for funds used for disease prevention and health promotion activities. During the year the Council provided 4,221 units of wellness service to eligible participants in this program.

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

c. Fund Accounting: (continued)

◆ Special Revenue Funds - (continued)

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II, Inc. 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 Senior Center Fund transferred its funds to other programs this year to help pay for the cost of services provided at the various senior centers.

Supplemental Senior Center Grant Fund

The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary state grant for senior centers. The TVCOA was one of the parish councils to receive a supplemental grant of \$4,500. The Governor's Office of Elderly Affairs provided these funds to the Council through CAAA. The money received by this fund during the year was transferred to the Title III B Fund to offset the cost of providing supportive services to participants receiving services at the senior centers.

Audit Fund

The Audit Fund is used primarily to account for funds provided by the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council via the Capital Area Agency on Aging - District II Inc., that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

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

c. Fund Accounting: (continued)

◆ Special Revenue Funds - (continued)

FEMA Fund

The FEMA Fund is used to account for the administration of a program which purpose is to supplement food and shelter assistance to individuals who might currently be receiving assistance, as well as to assist those who are not receiving any. Funds are provided by the Federal Emergency Management Agency (FEMA) through the United Way of America which in turn "passes through" the funds to the Council. A local board working with the parish's local United Way agency assists TVCOA in obtaining FEMA funds from United Way's national office. During fiscal year 1999, 5,825 additional home-delivered meals were provided by the Council using the FEMA funds.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under the U.S. Department of Transportation's Section 5310 Capital Assistance program. The Louisiana Department of Transportation and Development (DOTD) coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. One vehicle was acquired under this program during the fiscal year. The Council has entered into another contract with the Louisiana DOTD to acquire additional vans in fiscal year 2000.

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

c. Fund Accounting: (continued)

◆ Special Revenue Funds - (continued)

Section 5311 Fund

These funds are provided under the U.S. Department of Transportation's Public Transportation for Nonurbanized Areas - Section 5311 Program. The Louisiana Department of Transportation and Development receives these funds for the State of Louisiana and passes them through to the Council via the City of Ponchatoula. Funds received by the Council are based on actual operating costs of providing transportation services to rural clients within the parish. As part of calculating the operating costs of this program, the Council may apportion some of the in-kind contributions it receives as allowable transportation expenses. This provision results in the Council receiving cash reimbursement for costs which did not require the Council to spend cash.

Utility Assistance Fund

This fund is used to primarily account for the administration of the utility assistance programs which are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the parish councils on the aging throughout the state to provide assistance to the elderly for the payment of utility bills. The Council receives its Helping Hands and Louisiana Gas donations through the Louisiana Association of Councils on Aging, Inc. (LACOA). Also, during fiscal year 1999, the Council received some donations which were restricted to the purchase of fans to provide needy, elderly persons a means to stay cool in the summer months.

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

d. Account Groups:

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

General Fixed Assets

The fixed assets used in governmental fund type operations of the Council are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as capital outlay expenditures in the government 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:

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

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

d. Account Groups: - (continued)

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

f. Transfers and Interfund Loans:

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

g. Budget Policy:

The Council follows these procedures in establishing the budgetary data which has been presented in Exhibits C and D of these financial statements.

◆ The Capital Area Agency on Aging - District II Inc., (CAAA) notifies the Council each year as to the funding levels for each program's grant award.

◆ The City of Ponchatoula also provides funds to the Council via the Section 5311 program administered by the Louisiana Department of Transportation and Development (DOTD). Accordingly, the Council obtains information from DOTD regarding projected funding under the Section 5311 program.

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

g. Budget Policy: - (continued)

- ◆ Revenue projections are also made based on grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- ◆ Once the information regarding projected revenues has been obtained, the Council's executive director prepares a proposed budget based on these projections 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 fiscal year.
- ◆ The adopted budget is forwarded to CAAA for final approval.
- ◆ Most budgetary appropriations, particularly those involving funds received from CAAA and GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one amendment during the fiscal year, which was effective May 21, 1999. The budget amendments were approved by the Council's Board of Directors and by CAAA using a similar procedure as the approval of the original budget.

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

g. Budget Policy: - (continued)

- ◆ 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 CAAA, and the Governor's Office of Elderly Affairs for funds received under contracts from these agencies.
- ◆ 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.

h. Cash:

Cash is reported at carrying amount which equals its fair value.

i. 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.

j. Comparative Data:

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

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

j. Comparative Data: - (continued)

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.

k. Compensated Absences:

For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee multiplied by each employee's current wage rate as of June 30, 1999. An amount is added to this total for social security and medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

l. Related Party Transactions:

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

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

m. Restricted Assets:

Restricted assets include unspent cash which has been acquired through donations whereby the donor has placed a restriction on how the donation can be used by the Council. There were two types of restricted cash assets as of the end of the year. One was for utility assistance and the other was for congregate and home-delivered meals.

In addition to the restricted cash assets, \$13,691 of deposits had been made towards the purchase of two vans. The deposits represent the Council's share of local matching funds under FTA contracts. The vans are expected to be delivered to the Council in fiscal year 2000.

Restricted assets are offset by a corresponding reservation of the Council's fund balance.

n. 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. Designations of fund balances can be changed at the discretion of the Council's board of directors. There were no designated fund balances at year end.

o. Management's Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Note 2 - Revenue Recognition - Intergovernmental Grants, Program Service Fees, Interest Income, Public Support, and Miscellaneous Revenues

Intergovernmental grant revenues, program service fees, and interest income are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit most of the monies it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds.

Cash is reported at carrying amount which equals its fair value. At June 30, 1999, the carrying amount of the Council's cash balances on the books was \$121,391, including \$250 of petty cash, whereas the related bank balances were \$191,228. The difference in the book and bank balances relates primarily to deposits made and checks written for cash which did not clear the bank accounts by June 30, 1999. At June 30, 1999, \$187,301 of bank balances were covered 100% by federal depository insurance and have been classified as "Category 1" balances in accordance with GASB Statement 3. However, the remaining \$3,927 has been classified as "Category 3" because the balances were uninsured and uncollateralized.

Note 4 - Government Grants and Contracts Receivable

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

Note 4 - Government Grants and Contracts Receivable - (continued)

Government grants and contracts receivable, at June 30, 1999, consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Title III B	CAAA	Special Revenue	\$15,078
Title III C-2	City of Amite	Special Revenue	1,125
Title III C-2	CAAA	Special Revenue	421
Section 5311	LA. DOTD	Special Revenue	<u>5,044</u>
Total			\$21,668 =====

Note 5 - Accounts Receivable

Accounts receivable represent money owed to the Council for providing program services. As of year end this revenue is measurable and available. At June 30, 1999, accounts receivable consist of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
Local Transportation	Medicaid	General	\$5,278 =====

Note 6 - Prepaid Expenses

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

At year end prepaid expenses represent amounts paid in advance for insurance premiums due in fiscal year 2000.

Note 7 - Changes in Fixed Assets

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

	Balance June 30, <u>1998</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1999</u>
Vehicles	\$166,203	\$ 31,703	\$(2,844)	\$195,062
Office furniture and equipment	26,824	4,092	(6,179)	24,737
Computer equipment	8,358	6,385	-	14,723
Nutrition equipment	21,477	-	(14,180)	7,297
Leasehold improvements	5,487	-	-	5,487
Exercise equipment	<u>3,749</u>	<u>-</u>	<u>-</u>	<u>3,749</u>
Totals	\$232,098 =====	\$ 42,160 =====	\$(23,203) =====	\$251,055 =====

Donated assets represent \$500 of the year end total.

Note 8 - Deferred Grant Revenue

This account represents funds received but which cannot be recognized as income because (1) the terms of the grant award won't allow revenue recognition until allowable expenditures have been incurred or, (2) an event has not occurred to fulfill a contractual agreement.

The deferred grant revenue balance as of June 30, 1999, consisted of the following:

FEMA grant revenue	\$13,801 =====
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Expenses relating to this deferred income will be incurred in fiscal year 2000.

Note 9 - In-Kind Contributions

The Council received \$106,600 in 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 expenses, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

Note 9 - In-Kind Contributions - (continued)

The primary in-kind contributions consisted of free rent and utilities relating to the use of facilities in Ponchatoula, Amite, Tickfaw, Hammond, Independence, and Kentwood. The Council also receives a discount on the fuel it purchases from its gasoline supplier.

A summary of the in-kind contributions and their respective assigned values is as follows:

Fuel discounts	\$ 2,920
Facility rental	74,700
Utilities for facilities	17,600
Telephone	600
Janitorial and maintenance services	9,220
Insurance	<u>1,560</u>
Total in-kind contributions	\$106,600 =====

Note 10 - 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-pocket expenses when traveling on behalf of the Council.

Note 11 - FTA - Public Transportation for Nonurbanized Areas-
Section 5311

The Council earned and received \$88,308 under the "Section 5311" program. Total rural transportation costs were \$259,013 for the year ended June 30, 1999. These costs were funded as follows:

Section 5311	\$ 83,308
In-kind contributions	48,832
Title III-B grant funds	21,914
State transportation funds	24,607
Other local and state funds	34,460
Program services fees	30,977
Title III-B participant contributions	5,591
Town of Kentwood	2,400
Public fares	<u>1,924</u>
Total	\$259,013 =====

Note 12 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code of 1986, and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

The Council does not file a Form 990 because it has been determined to be an "affiliate of a governmental unit" within the meaning of Section 4 of Revenue Procedure 95-48, 1995-2 C.B. 418.

Note 13 - Lease and Rental Commitments

The Council has no significant operating or capital leases.

Note 14 - General 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 long-term debt.

	Balance <u>7/01/98</u>	Net Increase <u>(Decrease)</u>	Balance <u>6/30/99</u>
Accumulated unpaid vacation	<u>\$14,086</u>	<u>\$(4,644)</u>	<u>\$9,442</u>
Total long-term debt	<u>\$14,086</u> =====	<u>\$(4,644)</u> =====	<u>\$9,442</u> =====

Note 15 - Judgements, Claims, and Similar Contingencies

There is no litigation pending against the Council at June 30, 1999. However, on August 19, 1999, the Council was sued by a person alleging personal injury and property damages were incurred when one of the Council's vehicles hit the plaintiff's car from the rear. Presently, the case is in the discovery stage. Management believes any possible liability on the Council's part will be adequately covered by the limits of the Council's insurance policy. Accordingly, no amounts have been recorded in these financial statements for uninsured damages.

Note 16 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with *Government Auditing Standards*. Audits of prior years have not resulted in any disallowed costs, however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs to such an extent that they would materially affect the Council's financial position. Any costs that would be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 17 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Department of Transportation (DOTD) and Development, Governor's Office of Elderly Affairs, and the Capital Area Agency on Aging-District II, Inc. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Council will receive in the next fiscal year.

Note 18 - Purchase Commitments

The Council has entered into contracts with the Louisiana Department of Transportation and Development (DOTD) and the City of Ponchatoula to purchase two new vans. The Council is responsible for matching 20% of the purchase price of the vans. The Council has remitted \$13,691 of the required \$27,381 of matching funds for the vans as of June 30, 1999. The vans are expected to be delivered in fiscal year 2000.

Note 19 - Risk Management

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

Note 20 - Interfund Loans

Because the Council operates most of its programs under unit-cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans. A summary of these interfund loans at June 30, 1999, were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Fund	\$ 21,668	\$ -
Special Revenue Funds:		
Title III B	-	15,078
Title III C-2	-	1,546
Section 5311	-	5,044
Total special revenue funds	-	21,668
Total all funds	\$ 21,668	\$ 21,668

Note 21 - Interfund Transfers

Operating transfers in and out are as follows for the fiscal year:

	<u>Transfers To</u>								<u>Totals</u>
	<u>General Fund</u>				<u>Special Revenue Funds</u>				
	<u>Other Local</u>	<u>Local Trans.</u>	<u>Case Mgmt.</u>	<u>Adult Day Care</u>	<u>Title III B</u>	<u>Title III C-1</u>	<u>Title III D</u>	<u>FEMA</u>	
<u>Transfers from General Fund:</u>									
PCOA	\$ -	\$ -	\$ 4,411	\$4,155	\$ 9,884	\$ -	\$6,752	\$ -	\$ 25,202
Local - other	-	8,932	859	-	56,239	6,853	-	400	73,283
Total General Fund	-	8,932	5,270	4,155	66,123	6,853	6,752	400	98,485
<u>Special Revenue Funds:</u>									
Section 5311	-	2,223	-	-	86,085	-	-	-	88,308
Suppl. Senior Ctr.	-	-	-	-	4,500	-	-	-	4,500
Title III C-2	5,551	-	-	-	-	-	-	-	5,551
Title III F	4,446	-	-	-	-	-	-	-	4,446
Senior Center	-	-	17,212	-	39,350	-	-	-	56,562
Total Special Funds	9,997	2,223	17,212	-	129,935	-	-	-	159,367
Total transfers	\$9,997	\$11,155	\$22,482	\$4,155	\$196,058	\$6,853	\$6,752	\$ 400	\$257,852
	=====	=====	=====	=====	=====	=====	=====	=====	=====

SUPPLEMENTARY FINANCIAL INFORMATION

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

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 1999

	Programs of the General Fund						Total
	Local	PCOA	Senior Center Activities	Local Transportation	Case Management	Adult Day Care	
REVENUES							
Intergovernmental:							
Tangipahoa Parish Council	\$ 56,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 56,250
City of Hammond	12,500	0	0	0	0	0	12,500
Town of Kentwood	2,400	0	0	0	0	0	2,400
Governor's Office of Elderly Affairs	0	25,202	0	0	0	0	25,202
Public Support:							
Tangipahoa Area United Way	20,000	0	0	0	0	0	20,000
Miles for Meals fundraiser - restricted	11,016	0	0	0	0	0	11,016
General public donations - restricted	1,500	0	0	0	0	50	1,550
General public donations - unrestricted	405	0	0	0	0	0	405
Program Service Fees:							
Medic Alert unit rentals	8,993	0	0	0	0	0	8,993
Medicaid	0	0	0	0	11,981	0	11,981
Transportation services:							
Phases	0	0	0	1,885	0	0	1,885
School Board	0	0	0	9,812	0	0	9,812
Options	0	0	0	265	0	0	265
Senior Class	0	0	0	3,284	0	0	3,284
Public Fares	0	0	0	1,924	0	0	1,924
Medicaid	0	0	0	6,800	0	0	6,800
Interest Income	2,242	0	0	0	0	0	2,242
Miscellaneous:							
Insurance reimbursement	81	0	0	0	0	0	81
Sales of ceramics, drinks, etc.	0	0	2,253	0	0	0	2,253
In-kind Contributions	57,768	0	0	0	0	0	57,768
Total revenues	173,155	25,202	2,253	23,970	11,981	50	236,611
EXPENDITURES							
Current:							
Personnel	0	0	0	21,819	28,489	3,462	53,770
Fringe	0	0	0	2,462	2,280	307	5,049
Travel	504	0	0	458	912	101	1,975
Operating Services	0	0	0	5,582	1,948	238	7,768
Operating Supplies	191	0	0	2,388	476	53	3,108
Other Costs	10,099	0	2,057	916	358	44	13,474
Meals	0	0	0	0	0	0	0
Capital Outlay	18,546	0	0	1,500	0	0	20,046
Interest Expense	1,071	0	0	0	0	0	1,071
In-kind Expenses	57,768	0	0	0	0	0	57,768
Total expenditures	88,179	0	2,057	35,125	34,463	4,205	164,029
Excess of revenues over(under) expenditures	84,976	25,202	196	(11,155)	(22,482)	(4,155)	72,582
OTHER FINANCING SOURCES (USES)							
Operating transfers in	9,997	0	0	11,155	22,482	4,155	47,789
Operating transfers out	(73,283)	(25,202)	0	0	0	0	(98,485)
Proceeds from sale of fixed assets	2,500	0	0	0	0	0	2,500
Excess of revenues and other sources over(under) expenditures and other uses	24,190	0	196	0	0	0	24,386
FUND BALANCES(DEFICIT)							
Beginning of year	129,876	0	3,499	0	0	0	133,375
End of year	\$ 154,066	\$ 0	\$ 3,695	\$ 0	\$ 0	\$ 0	\$ 157,761

Notes:

Included in the \$154,066 of the Local program's fund balance is \$9,889 of unused restricted funds from the Miles for Meals fundraiser and \$13,147 of unused allocations from the Tangipahoa Parish United Way. These funds are to be used to help pay for the costs of operating the congregate and home-delivered meals programs.

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

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 1999

	Title III B	Title III C-1	Title III C-2	Title III D	Title III F	Senior Center	Supple. Senior Center	Audit	FEMA	FTA	Section 5311	Utility Assistance	Totals
REVENUES													
Intergovernmental:													
Capital Area Agency on Aging (CAAA)	\$ 115,433	\$ 53,700	\$ 51,416	\$ 3,812	\$ 4,446	\$ 56,562	\$ 4,500	\$ 2,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 292,403
LA Dept. of Transportation	0	0	0	0	0	0	0	0	0	22,114	88,308	0	110,422
United Way of America	0	0	0	0	0	0	0	0	14,145	0	0	0	14,145
City of Amite	0	0	4,537	0	0	0	0	0	0	0	0	0	4,537
Public Support (Restricted):													
L P & L Helping Hands (Via LACOA)	0	0	0	0	0	0	0	0	0	0	0	10,244	10,244
LA Gas Service	0	0	0	0	0	0	0	0	0	0	0	801	801
WST Electric	0	0	0	0	0	0	0	0	0	0	0	81	81
Client contributions	7,071	19,805	12,848	0	0	0	0	0	0	0	0	0	39,724
Energy Corporation for home repairs	1,000	0	0	0	0	0	0	0	0	0	0	0	1,000
General public for fans	0	0	0	0	0	0	0	0	0	0	0	1,070	1,070
Program Service Fees:													
Medical transportation	8,932	0	0	0	0	0	0	0	0	0	0	0	8,932
Interest income	0	0	0	0	0	0	0	0	187	0	0	0	187
In-kind Contributions	0	0	0	0	0	0	0	0	0	0	48,832	0	48,832
Miscellaneous:													
Sale of ceramic equipment	245	0	0	0	0	0	0	0	0	0	0	0	245
Alternate vendor receipts, net of expenditures	0	51	0	0	0	0	0	0	0	0	0	0	51
Total revenues	132,661	73,556	68,801	3,812	4,446	56,562	4,500	2,534	14,332	22,114	137,140	12,196	532,674
EXPENDITURES													
Current:													
Personnel	219,899	67,348	45,734	8,041	0	0	0	0	0	0	0	0	341,022
Fringe	23,429	5,421	3,696	645	0	0	0	0	0	0	0	0	33,191
Travel	7,267	766	904	1,037	0	0	0	0	0	0	0	0	9,974
Operating Services	47,820	4,545	6,674	597	0	0	0	0	20	0	0	0	59,856
Operating Supplies	20,066	1,351	2,417	134	0	0	0	0	0	0	0	0	23,988
Other Costs	10,238	978	676	110	0	0	0	2,534	0	0	0	0	14,536
Meals	0	0	3,149	0	0	0	0	0	14,332	0	0	0	17,481
Capital Outlay	0	0	0	0	0	0	0	0	0	22,114	0	0	22,114
Utility Assistance	0	0	0	0	0	0	0	0	0	0	0	11,773	11,773
In-kind Expenses	0	0	0	0	0	0	0	0	0	0	48,832	0	48,832
Total expenditures	328,739	80,409	63,250	10,564	0	0	0	2,534	14,352	22,114	48,832	11,773	582,567
Excess of revenues over (under) expenditures	(196,058)	(6,853)	5,551	(6,752)	4,446	56,562	4,500	0	(20)	0	88,308	423	(49,893)
OTHER FINANCING SOURCES (USES)													
Operating transfers in	196,058	6,853	0	6,752	0	0	0	0	400	0	0	0	210,063
Operating transfers out	0	0	(5,551)	0	(4,446)	(56,562)	(4,500)	0	0	0	(88,308)	0	(159,367)
Excess of revenues and other sources over (under) expenditures and other uses	0	0	0	0	0	0	0	0	380	0	0	423	803
FUND BALANCE (DEFICIT)													
Beginning of year	0	0	0	0	0	0	0	0	800	0	0	1,683	2,483
End of year	0	0	0	0	0	0	0	0	1,180	0	0	2,106	3,286

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
<u>PCOA</u>			
Capital Outlay	\$ 8,029	\$ 0	\$ 8029
Transfers to other funds:			
Title III B	1,757	9,884	(8,127)
Title III D	8,125	6,752	1,373
General Fund Programs:			
Case Management	2,779	4,410	(1,631)
Adult Day Care	4,512	4,156	356
	<u>\$ 25,202</u>	<u>\$ 25,202</u>	<u>\$ 0</u>
Totals			
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Personnel	\$ 113,648	\$ 219,899	\$ (106,251)
Fringe	11,189	23,429	(12,240)
Travel	5,499	7,267	(1,768)
Operating Services	24,727	47,820	(23,093)
Operating Supplies	9,118	20,086	(10,968)
Other Costs	3,959	10,238	(6,279)
	<u>\$ 168,140</u>	<u>\$ 328,739</u>	<u>\$ (160,599)</u>
Totals			
<u>TITLE III C-1</u>			
Personnel	\$ 70,114	\$ 67,348	\$ 2,766
Fringe	6,216	5,421	795
Travel	1,067	766	301
Operating Services	5,206	4,545	661
Operating Supplies	1,461	1,351	110
Other Costs	778	978	(200)
	<u>\$ 84,842</u>	<u>\$ 80,409</u>	<u>\$ 4,433</u>
Totals			
<u>TITLE III C-2</u>			
Personnel	\$ 56,391	\$ 45,734	\$ 10,657
Fringe	4,951	3,696	1,255
Travel	958	904	54
Operating services	7,566	6,674	892
Operating supplies	2,410	2,417	(7)
Other costs	510	676	(166)
Meals	479	3,149	(2,670)
Transfers to the General Fund	0	5,551	(5,551)
	<u>\$ 73,265</u>	<u>\$ 68,801</u>	<u>\$ 4,464</u>
Totals			

**SCHEDULE OF PROGRAM EXPENDITURES - BUDGET VERSUS ACTUAL
GRANTS PROVIDED BY THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS
AND THE CAPITAL AREA AGENCY ON AGING**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>TITLE III D</u>			
Personnel	9,071	8,041	1,030
Fringe	808	645	163
Travel	1,108	1,037	71
Operating services	732	597	135
Operating supplies	149	134	15
Other costs	69	110	(41)
Totals	<u>\$ 11,937</u>	<u>\$ 10,564</u>	<u>\$ 1,373</u>
<u>TITLE III E</u>			
Transfers to the General Fund	4,446	4,446	0
Totals	<u>\$ 4,446</u>	<u>\$ 4,446</u>	<u>\$ 0</u>
<u>SENIOR CENTER</u>			
Transfers to other programs:			
Title III B	39,350	39,350	0
General Fund Program - Case Management	17,212	17,212	0
Totals	<u>\$ 56,562</u>	<u>\$ 56,562</u>	<u>\$ 0</u>
<u>SUPPLEMENTAL SENIOR CENTER</u>			
Transfers to Title III-B	4,500	4,500	0
Totals	<u>\$ 4,500</u>	<u>\$ 4,500</u>	<u>\$ 0</u>
<u>AUDIT</u>			
Other Costs	2,534	2,534	0
Totals	<u>\$ 2,534</u>	<u>\$ 2,534</u>	<u>\$ 0</u>

Footnotes:

1. The PCOA funds were the only funds directly provided by GOEA.
The funds for the other programs were provided by GOEA indirectly through the Capital Area Agency on Aging.
2. The transfers of Title III C-2 and Title III F funds to the General Fund represent revenues earned under unit cost reimbursement contracts which were not needed to pay for the costs to provide services in those programs.

**COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS
AND CHANGES IN GENERAL FIXED ASSETS**

**The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana**

For the year ended June 30, 1999

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
General fixed assets:				
Vehicles	\$ 166,203	\$ 31,703	\$ (2,844)	\$ 195,062
Office furniture and equipment	26,824	4,092	(6,179)	24,737
Computer equipment	8,358	6,365	0	14,723
Nutrition equipment	21,477	0	(14,180)	7,297
Leasehold improvements	5,487	0	0	5,487
Exercise equipment	3,749	0	0	3,749
Total general fixed assets	\$ 232,098	\$ 42,160	\$ (23,203)	\$ 251,055
Investment in general fixed assets:				
Property acquired with funds from -				
Local funds and donations	\$ 64,405	\$ 18,546	\$ (15,509)	\$ 67,442
FTA Section 5310	79,489	22,114	0	101,603
FTA Section 5311	1,521	0	0	1,521
Title III-B	14,055	0	(2,071)	11,984
Title III C-1	34,305	0	(584)	33,721
Title III C-2	19,510	0	(79)	19,431
Title III F	6,046	0	(211)	5,835
Senior Center	11,689	0	(4,749)	6,940
Energy Outreach	987	0	0	987
Title XX	91	0	0	91
Medicaid	0	1,500	0	1,500
Total investments in general fixed assets	\$ 232,098	\$ 42,160	\$ (23,203)	\$ 251,055

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

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the Year Ended June 30, 1999

Capital Area Agency of Aging - District II, Inc. (CAAA) is the regional area agency for The Tangipahoa Parish Voluntary Council on Aging. Because of this relationship, CAAA is primarily responsible to the Governor's Office of Elderly Affairs with respect to meeting and reporting the earmarking percentages and requirements prescribed by Title III, Part B. Accordingly, this schedule is not applicable to The Tangipahoa Parish Voluntary Council on Aging.

DISCLOSURE ABOUT THE YEAR 2000 ISSUE

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

June 30, 1999

The Year 2000 issue arises because many computerized systems using two digits rather than four to identify a year. Date sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 issue may be experienced before, on or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure, which could affect the Council's ability to conduct normal business operations.

**DESCRIPTION OF WORK COMPLETED OR TO BE COMPLETED TO MAKE
THE COUNCIL'S COMPUTER SYSTEM AND OTHER ELECTRONIC EQUIPMENT
CRITICAL TO CONDUCTING OPERATIONS SYSTEM 2000 COMPLIANT**

The Council's management has taken action to minimize any adverse effects which might result from the year 2000 as follows:

GENERAL OPERATIONS AND ACCOUNTING SYSTEMS

During the fiscal year the Council upgraded its computer hardware and tested the CMOS in each computer to gain assurance that its hardware was Y2K compatible. The Council has verified with the primary governmental agencies that provide the Council its software and other important services that they have taken action or will have taken action before December 31, 1999, to ensure their computer systems are Y2K compliant. Accordingly, the Council expects to be able to serve its clients in the usual manner and maintain its accounting records and databases without disruption.

**PURCHASE OF GOODS AND SERVICES INTEGRAL
TO THE COUNCIL'S OPERATIONS**

Capital Area Agency on Aging (CAAA) is responsible for procuring the meals the Council uses to feed participants in the congregate and home-delivered meals programs. CAAA also procures other services for the Council. CAAA has contacted service providers and other critical vendors and requested each one to provide a written

statement informing CAAA of its year 2000 compliance plans. Any service provider or vendor unable to provide Year 2000 solutions will be replaced. Except for the goods and services the Council obtains through CAAA, the Council does not heavily rely on one vendor or a group of vendors to provide goods and services that the Council needs to perform its routine functions. The Council's management believes there are alternatives available whereby the Council can acquire the goods and services it needs should the year 2000 prevent the usual vendors from meeting the Council's needs.

PAYROLL

Payroll is processed in-house using a computer system. The computer system has been tested and verified to be Y2K compatible. Should an unexpected problem occur after December 31, 1999, payroll checks can be manually written on a temporary basis and thereby prevent any disruption of the work force.

FINANCIAL RESOURCE COMMITMENTS

Management has not budgeted and does not expect to have to spend any significant amounts of money in FY 2000 to make its operations Y2K compliant.

DISCLAIMER

Despite all the efforts the Council's management can and will take to assess, remediate, and validate through testing the problems associated with the year 2000, management makes no guarantee that all systems and equipment used by the Council, suppliers, or other third parties will be year 2000 compliant.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 1999

I have audited the financial statements of the Tangipahoa Parish Voluntary Council on Aging, Amite, Louisiana as of and for the year ended June 30, 1999, and issued my report thereon dated October 4, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

- a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control:

Material Weaknesses	<u> </u> Yes	<u> X</u> No
Reportable Conditions	<u> X</u> Yes	<u> </u> No

Compliance:

Compliance Material to Financial Statements	<u> </u> Yes	<u> X</u> No
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- b. Federal Awards

Federal awards were less than \$300,000. This section is not applicable.

- c. Identification of Major Programs

This section is not applicable.

- d. Management Letter

The auditor issued a management letter relating to this year's audit:	<u> </u> Yes	<u> X</u> No
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Section II - Financial Statement Findings

Reportable Condition:

#99-1: Errors in Allocating Costs Were Made and Not Timely Detected by Management

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

Condition: The Council made two errors in allocating costs this year. The first error related to the Council charging too much direct transportation costs to the General Fund's local transportation program. This resulted in the transportation costs for Title III B being understated. The second error occurred when no indirect personnel and fringe benefit costs were allocated to the General Fund's local transportation program. These errors were not caught during management's review.

Criteria: Direct costs should be charged to the programs that produced the costs. Indirect costs should be allocated to all programs consistently using a rational and systematic method. These criteria were not followed in the two cases described in the condition section.

Effect: Improper cost allocations could result in programs reporting too much or not enough costs to the Council's grantor agencies. Such errors could lead to an over or under reimbursement of costs and distort information that the Council reports. Also, comparisons between budget and actual results may not be accurate enough to allow management to control costs as planned.

Cause: The persons who were responsible for allocating the costs made clerical and math mistakes in properly administering the cost allocation plan. The Council's director did not catch the errors upon her review of what had occurred.

Questioned Costs: There were not any questioned costs related to this finding. Any questioned costs that could have arisen due to this control weakness were prevented because of two reasons. First, audit adjustments were made to correct the improper distribution of direct and indirect costs amongst programs. Second, the Council received its reimbursement of costs using negotiated unit costs rather than on actual costs to operate its programs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

Recommendation: The employees who are involved in allocating costs and the Council's director need to review the process of compiling information and allocating costs. It is important that all people involved in this process fully understand the concepts and procedures of cost allocation. The director should pay closer attention in her review of accounting information.

Management's Response: Management acknowledges and agrees with the auditor's description of finding 99-1. The Council's director has requested assistance from my firm to remedy the weakness.

Section III - Federal Award Findings and Questioned Costs

This section is not applicable.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 1999

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

Finding
reference #: 98-1

Description of
the Matter: The auditor reported that indirect costs were
not being allocated to each identifiable
program.

Auditor's
Recommendation: The auditor recommended that the Council make
changes in its accounting system to implement
an indirect cost pool and include all programs
within the cost allocation formula for fiscal
year 1999.

Status: The auditor's recommendation was followed. An
indirect cost pool was established and costs
were allocated to each identifiable program.
However, clerical and math errors were made in
complying with the cost allocation plan. The
auditor has cited a reportable condition in
the FY99 audit as Finding #99-1 that further
describes the finding.

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

The description of the matter and auditor's
recommendation for item 98-1 here above is the same
for Section II. The status, as described above, is
also the same.

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS - (continued)

Section III - MANAGEMENT LETTER

Immaterial Weaknesses in Internal Control

IC-1: The auditor reported that fixed asset deletions should be approved by the board of directors before they are formally removed from the fixed asset inventory.

Status: Resolved. On July 15, 1999, the Council's director was given the authority to approve fixed asset deletions by the Council's board of directors. The board felt that this responsibility was one that should be managed at the director's level.

Immaterial Instances of Noncompliance

NC-1: The auditor reported that employee time sheets do not support payroll allocations.

Status: Resolved. Time is now being recorded by employees working in multiple programs to better support cost allocations to the various programs.

NC-2: The auditor reported that there may be cases where persons receiving home-delivered meals may not be eligible to receive the meals.

Status: Resolved. Steps were taken to emphasize the importance of properly documenting why clients are eligible to receive meals. All files were doubled checked at the site where previous deficiencies were noted.

MANAGEMENT'S CORRECTIVE ACTION PLAN

The Tangipahoa Parish Voluntary Council on Aging
Amite, Louisiana

For the year ended June 30, 1999

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

#99-1: Errors in Allocating Costs Were Made and Not Timely Detected by Management

Condition: The Council made two errors in allocating costs this year. The first error related to the Council charging too much direct transportation costs to the General Fund's local transportation program. This resulted in the transportation costs for Title III B being understated. The second error occurred when no indirect personnel and fringe benefit costs were allocated to the General Fund's local transportation program. These errors were not caught during management's review.

Management's
Corrective
Action:

The auditor was requested to train and monitor how the Council's employees were compiling data and applying it to properly allocate direct and indirect costs. Two training sessions have already been held and the Council will have the auditor double check our progress periodically throughout the year to verify we understand what should be done. The Council's director is also participating in this process to improve her knowledge and understanding so that she can catch errors as they occur.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Because the Council uses the same accounting system for all its programs, federal awards are also affected by the condition described here above. Accordingly, management's corrective action is also the same.

MANAGEMENT'S CORRECTIVE ACTION PLAN - (continued)

SECTION III - MANAGEMENT LETTER

No management letter was issued by the auditor this year.

If there are any questions regarding this plan, please call Debi Fleming, the Council's director, at (504) 748-7486.