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Financial Report

East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana

June 30, 1998

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Baton Rouge, Louisiana

June 30, 1998

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,  
East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana.

I have audited the accompanying general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and the 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 East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report (see page 3) dated August 13, 1998, on my consideration of the East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting and on 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 East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, taken as a whole. The accompanying schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

*Neil B. Fenari, CPA*

Baton Rouge, Louisiana,  
August 13, 1998,



# NEIL G. FERRARI

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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,  
East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana.

I have audited the general purpose financial statements of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated August 13, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered the East Baton Rouge Council on Aging, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all

matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the Council's board of directors, management, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and the Louisiana Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

*Will B. Ferrell, CPA*

Baton Rouge, Louisiana,  
August 13, 1998.

# NEIL G. FERRARI

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REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB  
CIRCULAR A-133

To the Board of Directors,  
East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana.

## Compliance

I have audited the compliance of the East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The East Baton Rouge Council on Aging, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the East Baton Rouge Council on Aging, Inc.'s management. My responsibility is to express an opinion on the East Baton Rouge Council on Aging, Inc.'s compliance based on my audit.

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



In my opinion, the East Baton Rouge Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

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

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended for the information of the Council's board of directors, management, the Legislative Auditor of the State of Louisiana, federal awarding agencies, and the Louisiana Governor's Office of Elderly Affairs. However, this report is a matter of public record and its distribution is not limited.

Baton Rouge, Louisiana,  
August 13, 1998.

*Neil B. Ferrari, CPA*

EAST BATON ROUGE COUNCIL ON AGING, INC., BATON ROUGE, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Governmental		Account Groups		Totals	
	Fund Types	Special Revenue	General Fixed Assets	General Long-Term Debt	(Memorandum Only)	
	1998	1997	1998	1997	1998	1997
<b>ASSETS AND OTHER DEBITS</b>						
<b>Assets:</b>						
Cash and investments	\$ 570,951	\$ 19,321	\$ -	\$ -	\$ 590,272	\$ 442,652
Grants and contracts receivable	-	15,027	-	-	15,027	27,630
Accounts and other receivables	40,730	-	-	-	40,730	93,496
Prepaid expenses	3,339	1,992	-	-	5,331	4,004
Inventory - food/supplies, at cost	11,631	-	-	-	11,631	11,379
Inventory - Wellness resource materials, at cost	6,904	-	-	-	6,904	6,373
Deposit - Workman's compensation insurance	5,500	-	-	-	5,500	5,500
Other	36	-	-	-	36	113
<b>Restricted assets:</b>						
Cash	8,831	53,195	-	-	62,026	53,442
Due from Special Revenue Fund	1,169	-	-	-	1,169	27,630
Trademark and copyright - Wellness Partners	24,378	-	-	-	24,378	31,367
Fixed assets	-	-	714,791	-	714,791	683,946
<b>Other debits:</b>						
Amount to be provided to retire long-term debt	-	-	-	156,504	156,504	168,614
<b>Total assets</b>	<b>\$ 673,469</b>	<b>\$ 89,535</b>	<b>\$ 714,791</b>	<b>\$ 156,504</b>	<b>\$ 1,634,299</b>	<b>\$ 1,556,146</b>
<b>LIABILITIES, FUND EQUITY, AND OTHER CREDITS</b>						
<b>Liabilities:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,207
Advances from funding agencies	-	18,110	-	-	18,110	12,419
Deposit and escrow account - sale of land	17,000	-	-	-	17,000	-
Deposits and escrow accounts - other	3,825	-	-	-	3,825	6,680
Unearned program service fees	474	-	-	-	474	8,437
Due to General Fund	-	1,169	-	-	1,169	27,630
Accumulated unpaid vacation	-	-	-	85,578	85,578	77,183
Notes payable	-	-	-	-	-	3,658
Capital lease obligations payable	-	-	-	70,926	70,926	87,773
<b>Total liabilities</b>	<b>21,299</b>	<b>19,279</b>	<b>-</b>	<b>156,504</b>	<b>197,082</b>	<b>224,987</b>

(Exhibit A continued on next page)

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC., BATON ROUGE, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Governmental Fund Types				Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	General Long - Term Debt	1998	1997		
8,831	-	-	-	-	8,831	11,312		
-	53,195	-	-	-	53,195	42,130		
3,339	1,992	-	-	-	5,331	4,004		
5,500	-	-	-	-	5,500	5,500		
18,535	-	-	-	-	18,535	17,752		
24,378	-	-	-	-	24,378	31,367		
591,587	15,069	-	-	-	606,656	535,148		
-	-	714,791	-	-	714,791	683,946		
652,170	70,256	714,791	-	-	1,437,217	1,331,159		
\$ 673,469	\$ 89,535	\$ 714,791	\$ 156,504	\$ 1,634,299	\$ 1,556,146			

Fund Equity(Deficit) and Other Credits:  
 Fund balances:  
 Reserved for:  
 Restricted donations  
 Utility assistance  
 Prepaid expenditures  
 Deposit - workman's compensation  
 insurance  
 Inventory  
 Trademark and copyright  
 Unreserved - undesignated  
 Investment in general fixed assets

Total fund equity and other credits

Total liabilities, fund equity  
 and other credits

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998  
With Comparative Totals for the Year Ended June 30, 1997

	General	Special Revenue	Totals (Memorandum Only)	
			1998	1997
<u>REVENUES</u>				
Intergovernmental	\$ 746,218	\$1,384,929	\$2,131,147	\$1,992,286
Program service fees	458,112	-	458,112	711,830
Public support:				
Unrestricted	5,492	-	5,492	12,122
Restricted	13,346	134,472	147,818	166,789
Interest income	25,627	-	25,627	19,425
Special events	17,057	-	17,057	13,917
Miscellaneous	85,762	3,476	89,238	98,322
In-kind contributions	76,304	218,980	295,284	300,679
	<u>1,427,918</u>	<u>1,741,857</u>	<u>3,169,775</u>	<u>3,315,370</u>
Total revenues				
<u>EXPENDITURES</u>				
Current:				
Salaries	705,894	880,012	1,585,906	1,557,914
Fringe	94,923	132,291	227,214	235,339
Travel	19,647	33,603	53,250	49,081
Operating services	221,123	106,173	327,296	397,208
Operating supplies	28,867	23,196	52,063	70,375
Other costs	83,981	36,542	120,523	127,336
Full service	-	10,076	10,076	10,196
Meals	13,713	260,823	274,536	309,356
Capital outlay	25,645	-	25,645	38,957
Utility assistance	-	42,191	42,191	67,724
Subgrantee	-	48,868	48,868	20,000
Debt service:				
Principal retirement	33,095	-	33,095	38,925
Interest	11,204	-	11,204	14,811
In-kind expenditures	76,304	218,980	295,284	300,679
	<u>1,314,396</u>	<u>1,792,755</u>	<u>3,107,151</u>	<u>3,237,901</u>
Total expenditures				
Excess of revenues over (under) expenditures	113,522	(50,898)	62,624	77,469
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	426,809	311,859	738,668	584,854
Operating transfers out	(504,315)	(234,353)	(738,668)	(584,854)
Proceeds from capital lease obligation	12,589	-	12,589	-
	<u>48,605</u>	<u>26,608</u>	<u>75,213</u>	<u>77,469</u>
Excess of revenues and other sources over (under) expenditures and other uses				
	48,605	26,608	75,213	77,469
<u>FUND BALANCES</u>				
Beginning of year	<u>603,565</u>	<u>43,648</u>	<u>647,213</u>	<u>569,744</u>
End of year	\$ 652,170	\$ 70,256	\$ 722,426	\$ 647,213
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$ 747,915	\$ 746,218	\$ (1,697)
Program service fees	499,919	458,112	(41,807)
Public support	15,583	18,838	3,255
Interest income	25,000	25,627	627
Special events	15,000	17,057	2,057
Miscellaneous	72,000	85,762	13,762
In-kind contributions	76,417	76,304	(113)
	<u>1,451,834</u>	<u>1,427,918</u>	<u>(23,916)</u>
Total revenues			
<u>EXPENDITURES</u>			
Current:			
Salaries	740,400	705,894	34,506
Fringe	111,607	94,923	16,684
Travel	23,644	19,647	3,997
Operating services	287,669	221,123	66,546
Operating supplies	42,032	28,867	13,165
Other costs	39,463	83,981	(44,518)
Meals	12,850	13,713	(863)
Capital outlay	5,000	25,645	(20,645)
Debt service	46,500	44,299	2,201
In-kind expenditures	76,417	76,304	113
	<u>1,385,582</u>	<u>1,314,396</u>	<u>71,186</u>
Total expenditures			
Excess of revenues over (under) expenditures	66,252	113,522	47,270
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	50,000	426,809	376,809
Operating transfers out	(118,339)	(504,315)	(385,976)
Proceeds from capital lease obligation	-	12,589	12,589
	<u>(68,339)</u>	<u>435,083</u>	<u>503,422</u>
Excess of revenues and other sources over (under) expenditures and other uses	(2,087)	48,605	\$ 50,692 =====
<u>FUND BALANCE</u>			
Beginning of year	<u>603,565</u>	<u>603,565</u>	
End of year	\$ 601,478	\$ 652,170	=====

The accompanying notes are an integral part of this statement.



EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<u>REVENUES</u>			
Intergovernmental	\$1,388,237	\$1,384,929	\$ (3,308)
Public support	131,702	134,472	2,770
Miscellaneous	-	3,476	3,476
In-kind contributions	<u>241,986</u>	<u>218,980</u>	<u>(23,006)</u>
Total revenues	<u>1,761,925</u>	<u>1,741,857</u>	<u>(20,068)</u>
<u>EXPENDITURES</u>			
Current:			
Salaries	889,607	880,012	9,595
Fringe	146,193	132,291	13,902
Travel	32,017	33,603	(1,586)
Operating services	111,630	106,173	5,457
Operating supplies	23,215	23,196	19
Other costs	24,698	36,542	(11,844)
Full service	10,076	10,076	-
Meals	247,650	260,823	(13,173)
Utility assistance	51,105	42,191	8,914
Subgrantee	50,000	48,868	1,132
In-kind expenditures	<u>241,986</u>	<u>218,980</u>	<u>23,006</u>
Total expenditures	<u>1,828,177</u>	<u>1,792,755</u>	<u>35,422</u>
Excess of revenues over (under) expenditures	(66,252)	(50,898)	15,354
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	318,594	311,859	(6,735)
Operating transfers out	<u>(250,255)</u>	<u>(234,353)</u>	<u>15,902</u>
Excess of revenues and other sources over (under) expenditures and other uses	2,087	26,608	\$ 24,521 =====
<u>FUND BALANCE</u>			
Beginning of year	<u>43,648</u>	<u>43,648</u>	
End of year	\$ 45,735 =====	\$ 70,256 =====	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

East Baton Rouge Council on Aging, Inc.  
Baton Rouge, Louisiana

June 30, 1998

Note 1 - Summary of Significant Accounting Policies

a. Reporting Entity:

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The East Baton Rouge Council on Aging, Inc. is a non-profit, quasi-public corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the East Baton Rouge Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, health care services, nutritional education, information and referral, legal assistance, homemaker services, operating senior centers, discount services, and outreach. A Board of Directors, consisting of 11 voluntary members who serve three-year terms, governs the Council.

Before January 1, 1992, the Council operated as part of the City of Baton Rouge. Effective January 1, 1992, the Council began operating as a stand-alone entity, responsible for managing all of its affairs. It 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.

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

b. Basis of Presentation for the Financial Statements:

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

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

c. Fund Accounting:

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

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

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

c. Fund Accounting: - (continued)

Governmental funds are used to account for all or most of the Council's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition of fixed assets, and the servicing of general long-term debt.

The governmental funds and the programs comprising them, as presented in the financial statements, are described as follows:

- General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived. In addition, the servicing of general long-term debt is accounted for in the General Fund because unrestricted resources are used to pay for the liabilities incurred by this fund and there are no legal mandates to use a debt service fund.

The following programs comprise the Council's General Fund:

Local

The Council sponsors a variety of programs to serve its elderly clientele as part of the local component of the General Fund. Some of the more significant programs are as follows:

- The Council collects donations for fans and blankets and distributes these items to senior citizens.
- The Council operates a Senior Net Learning Center where computer classes are held for the purposes of training and enhancing the computer skills of senior citizens.



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

c. Fund Accounting: - (continued)

● General Fund - (continued)

Local - (continued)

- The Council sponsors special activities for senior citizens such as an annual fishing rodeo, an Easter party, a Christmas party, and tea dances.
- The Council provides health screening services and flu shots to enable senior citizens to prevent or detect health problems.
- The Council provides a consignment store, called the Crafts of Distinction, to enable senior citizens to market their crafts.

Local funds are also provided as transfers to special revenue funds to supplement those programs. In addition, most of the fixed asset additions are paid for with local funds.

PCOA

PCOA (Act 735) funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs(GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old. During fiscal year 1998, all PCOA funds were used to supplement Title III programs.

Grande Aid

Grande Aid provides quality home health care for homebound elderly patients. Any person who has a doctor's prescription for home health care services is a candidate for Grande Aid. Grande Aid is licensed by the State of Louisiana and is certified by Medicare and Medicaid.



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

c. Fund Accounting: - (continued)

● General Fund - (continued)

Public Relations

The Council uses its public relations program to inform and educate the community about the Council's services and programs. Some of the specific services provided under this program are as follows:

- The Council publishes a resource guide, "Platinum Plus", to provide information about community services related to senior citizens.
- The Council's newspaper, "The Platinum Record", is published and distributed monthly to approximately 18,700 homes in East Baton Rouge Parish to inform readers about the Council's activities and provide information to help elderly people.
- The Council sponsors special events, such as, Ageless Expos, to give people information about the community resources for the elderly.

Medicaid Waiver

Under the Medicaid Waiver program the Council provides personal care to people who are home-bound and who, without such services, would be sent to nursing homes. The Council also acts as the case manager for Medicaid Waiver clients who receive their personal care services from other organizations. Medicaid approves the Medicaid Waiver clients and pays a fee for these services. In addition, the Council completes enrollment applications for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals(DHH).

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

c. Fund Accounting: - (continued)

• General Fund - (continued)

Grande Meals

Grande Meals include congregate meals sold to organizations, guest meals sold at C-1 congregate meal sites, and meals delivered to the homes of persons who are homebound and willing to pay the full cost of the meal. Any revenues in excess of expenditures to operate this program are transferred, as needed, to the Title III C-1 and C-2 programs to supplement their costs of providing meals.

Assessments and Case Management

The Council performs health assessments and case management services for elderly people for certain corporations and receives a fee for these services.

Wellness Partners

During FY 97, the Council acquired an inventory of resource materials designed to be used to provide preventive health services to the elderly as described in Title III, Part F of the Older Americans Act of 1965 as amended October, 1992. The Council is marketing its services and these materials to other councils on aging and to businesses.

Geriatric Fitness

The geriatric fitness program is designed to provide participating seniors with a comprehensive health screening and with individualized programs for nutrition and fitness training.

Local Transportation(FISH)

The local transportation program uses volunteers to provide transportation to medical and social service facilities for needy citizens of any age who cannot get this type of help from other agencies. Previously, these services were provided by another local non-profit agency called FISH of Baton Rouge which merged with the Council on Aging on October 1, 1997.

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

c. Fund Accounting: - (continued)

● 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 GOEA. The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The following 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 a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III-C Area Agency Administration (AAA) Fund

The Title III-C Area Agency Administration (AAA) Fund is used to account for some of the administrative costs associated with operating the Special Programs for the Aging.

Title III C-1 Fund

The Title III C-1 Fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 1997 to June 30, 1998, the Council served about 98,000 congregate meals.

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

c. Fund Accounting: - (continued)

- Special Revenue Funds - (continued)

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1997 to June 30, 1998, the Council served about 67,000 home delivered meals.

Title III-D Fund

The Title III-D Fund is used to account for funds which are used to provide in-home services to the frail and elderly person who is home-bound, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction, and to the families of such victims.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities. The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need."

U.S.D.A. Fund

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



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

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Audit Fund

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

Senior Center Fund

The Senior Center Fund is used to account for the administration of Senior Center program funds appropriated by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program provides community service centers at which older persons receive supportive services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The Council operates 4 senior centers in East Baton Rouge Parish, Louisiana.

Supplemental Senior Center

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 East Baton Rouge Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

The supplemental senior center grant received by the Council from the Louisiana Legislature specified that \$50,000 was to be passed through to Serenity 67, subject to the oversight of the Council. Serenity 67 is a nonprofit 501(c)(3) community service organization designed to assist the citizens of District 67 and the surrounding areas to experience a more positive community life. Since Serenity 67 only spent \$48,868 of these funds, the remaining \$1,132 was available to supplement the Council's Title III programs.



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

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Retired Senior Volunteers Program(RSVP) Fund

The Retired Senior Volunteer Program Fund is used to account for federal funds which are provided directly by The Corporation for National and Community Service (CNCS) and state funds which are provided directly by the Governor's Office of Elderly Affairs to pay for expenses incurred by senior citizens, age 55 and over, who have volunteered their time to assist non-profit and governmental entities in East Baton Rouge Parish, Louisiana.

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. Entergy and DEMCO collect contributions from service customers and employees and remit the funds directly to the Council. These funds are used to provide financial assistance to the elderly for the payment of their utility bills.

d. Account Groups:

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

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the East Baton Rouge Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the government fund types when purchased.

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

d. Account Groups: - (continued)

General Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Principal and interest payments on long-term liabilities (bank loans and capital lease obligations) are accounted for in the General Fund because the Council intends to use unrestricted resources to pay them and no legal mandate exists to establish a debt service fund.

e. Basis of Accounting:

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

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

- (1) principal and interest on long-term debt are recorded when due, and
- (2) claims and judgements and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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

f. Transfers and Interfund Loans:

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

g. Budget Policy:

The Council used the following procedures to derive the budgetary data which has been presented in Exhibits C and D of these financial statements:

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for each program's grant award. GOEA awards funds using the same fiscal year as the Council, except for the RSVP program award, which is on a calendar year.
- The City of Baton Rouge notifies the Council each year as to the amount included in the City's budget for the Council. Because the City of Baton Rouge operates on a calendar year, its fiscal year will overlap the Council's fiscal year. Accordingly, the Council's management can predict with reasonable accuracy how much money the Council will have available for the first six months of its fiscal year. Management estimates the City's allocation for the last six months of the Council's fiscal year until the City notifies the Council of the exact allocation. Management will then incorporate the actual allocation amount into the Council's amended budget. Funds received from the City of Baton Rouge are unrestricted as to use by the Council on Aging.
- The Council may also obtain grants from agencies other than GOEA and the City of Baton Rouge, and the Council considers the potential revenues to be earned under those grants.
- Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

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

g. Budget Policy: - (continued)

- The Council's financial and compliance officers prepare a proposed budget based on the expected funding levels and then submit the budget to the Chief Executive Officer and the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.
- The adopted budget is forwarded to the Governor's Office of Elderly Affairs final for its final approval.
- All budgetary appropriations for grants awarded the Council by GOEA lapse at the end of each fiscal year (June 30), except for the grant for the RSVP program. Both the grant award from GOEA and the grant award from The Corporation for National and Community Service for the RSVP program lapse at December 31. 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 appropriation 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, which must also be adopted by the Board of Directors and approved by GOEA. There were two amendments during the year. The final amendment was effective May 14, 1998.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.



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

g. Budget Policy: - (continued)

- The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As part of its grant awards, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceed the budgeted amount by more than 10%. Otherwise, the excess costs could be labeled as unauthorized expenditures.
- Expenditures cannot legally exceed appropriations on an individual fund level.
- The primary budget requirement under the RSVP program's grant from The Corporation for National and Community Services is that the ratio of volunteer expenses to total program expenses must equal or exceed the ratio in the approved budget.
- 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. Comparative Data

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

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



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

i. Fixed Assets:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets.

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

j. Compensated Absences:

Full time employees earn vacation leave beginning with the first full month of employment at the rate of one day per month. Vacation leave increases with each year of employment, according to the following schedule:

<u>Years of Employment</u>	<u>Days Earned</u>
1	12
2	13
3	14
4	15
5	16
6	17
7	18
8	19
9	20
10 and over	21

Beginning June 15, 1992, no more than 5 days of vacation leave may be carried over at the end of a calendar year. Prior to June 15, 1992, any earned and unused vacation leave had no expiration date as to when it had to be used.

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

j. Compensated Absences: - (continued)

Payment of any vested vacation leave is made by the Council upon job termination of an employee for any reason.

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 the employee's current wage rate at the end of the year. An amount is added to this total for social security and Medicare taxes. Accrued vacation benefits will be paid from future year's 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.

k. Related Party Transactions:

Sharon LaFleur, the Council's Chief Executive Officer, has granted the Council a usufructuary of her 1984 Lincoln stretch limousine during daytime hours on Monday through Friday of each week. In return for the use of this vehicle, the Council has agreed to provide, at its expense, insurance coverage, maintenance and repairs, and gasoline while it is being operated for the Council's purposes.

There were no other significant related party transactions during the fiscal year.

l. Restricted Assets:

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

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

m. 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. There were not any designated fund balances at year end.

n. Prepaid Expenses:

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

o. Inventory:

Inventory is valued at cost using the first-in, first-out method. Inventory consists of food and kitchen supplies which have not been consumed as of year end and of resource materials purchased for resale as part of the Wellness Partners Program. Amounts reported as inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

p. Trademarks and Copyrights:

The Council on Aging paid \$25,000 for use of the Wellness Partners' name and \$9,947 for the copyright to certain Wellness Partners' materials. Management has estimated the useful life of these assets to be five years. Accordingly, they are being amortized on a straight line basis over five years. Amortization expense for FY 98 was \$6,989.

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

q. 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, Program Service Fees, Public Support, Special Events, Interest Income and Miscellaneous Revenues

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided. However, funds received from the City of Baton Rouge are not subject to revenue recognition restrictions.

Program service fees are recognized when the Council provides the service that entitles the Council to charge the recipient for the services received.

Interest income is recorded when it becomes measurable and available in accordance with the modified accrual basis of accounting.

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. Utility assistance funds are provided from public donations via utility company programs. In addition, special events are held during the year. The timing and amounts of the receipts of public support, special events, 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. The consolidated account is available for use by all funds. The primary purpose of the consolidated account is to reduce administrative costs and to facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The consolidated bank account is an operating account, which is used to deposit the money it collects and pay its bills. Bank balances in excess of \$10,000 in this account are automatically transferred into an investment account at the bank. These excess funds are invested in United States Treasury obligations through a repurchase agreement with the bank. Money from the investment account is automatically transferred back to the operating account when checks are presented for payment. See Note 4 for a discussion about the investment account. The other account is used only for payroll purposes.

Cash is reported at carrying amount which closely approximates fair value. The carrying amount of the Council's cash accounts at June 30, 1998 was \$-0- whereas the related bank balances (collected deposits) totaled \$51,899. The difference in these amounts relates to deposits in transit, checks written on demand deposit accounts which have not cleared the bank accounts, and petty cash of \$250. All bank balances representing cash were covered entirely by federal depository insurance. Accordingly, these balances are classified as "Category 1" balances in accordance with GASB Statement 3.

Note 4 - Investments

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

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,

Note 4 - Investments - (continued)

6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts,  
and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

Investments are reported at fair value. Investments consist solely of repurchase agreements of United States Treasury obligations which may be treasury notes and/or treasury bonds. The Council's investments are classified as a "Category 3" risk because the government securities are not registered in the Council's name and are held by the bank's agent.

Note 5 - Grants Receivable and Accounts Receivable

Grants receivable represent amounts owed to the Council under a grant award or contract with a provider of federal, state, or local funds; such amounts being measurable and available at year end. Grants receivable at June 30, 1998, consisted of reimbursements for expenses incurred or revenues earned under the following program:

<u>Program</u>	<u>Fund</u>	<u>Funding Agency</u>	<u>Amount</u>
U.S.D.A	Special Revenue	GOEA	\$15,027 =====

Note 5 - Grants Receivable and Accounts Receivable - (continued)

Accounts receivable at June 30, 1998 for General Fund programs consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Amount</u>
Local	N/A	\$ 459
Grande Aid	Medicare	17,269
Grande Aid	Medicaid	824
Public Relations	N/A	14,076
Medicaid Waiver	Medicaid	4,837
Grande Meals	N/A	2,414
Assessment/Case Management	N/A	530
Wellness Program	N/A	<u>321</u>
Total		\$ 40,730 =====

The Council uses the allowance method to provide for uncollectible accounts receivable. All accounts receivable at June 30, 1998 were considered collectible so no allowance for bad debts was provided by the Council's management.

Note 6 - Prepaid Expenses

The Council has not elected 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 expenditures.

Prepaid expenses consisted of the following at June 30, 1998:

Prepaid insurance	\$ 2,102
Advance payments on capital lease obligations	2,060
Hotel registration for conference to be held in August, 1998	<u>1,169</u>
	\$ 5,331 =====

Note 7 - Changes in Fixed Assets

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

	<u>Balances</u> <u>07-01-97</u>	<u>Additions</u>	<u>Adjustments</u> <u>and</u> <u>Deletions</u>	<u>Balances</u> <u>06-30-98</u>
Vehicles	\$ 65,547		\$ (5,000)	\$ 60,547
Office furniture & equipment	206,187	22,761	-	228,948
Computer software	21,830	-	-	21,830
Nutrition equipment	80,387	-	-	80,387
Leasehold improvements	78,463	495	-	78,958
Capital lease equipment	162,532	12,589	-	175,121
Land	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>69,000</u>
Totals	\$683,946	\$35,845	\$ (5,000)	\$714,791
	=====	=====	=====	=====

Current year additions include \$10,200 of donated assets. Donated assets represent \$92,885 of the June 30, 1998 total.

Note 8 - Advances from Funding Agencies

This account represents funds received for an open grant year in excess of allowable expenditures as of the end of the fiscal year. These funds will only need to be returned to the funding agency if the funds are not spent per the grant award and/or by a specified time. The advances are as follows:

<u>Fund</u>	<u>Grant</u> <u>Year</u> <u>Ended</u>	<u>Grantor</u> <u>Agency</u>	<u>Amount</u>
RSVP	12/31/98	GOEA	\$ 6,665
RSVP	12/31/98	CNCS	5,445
RAPP	06/30/99	Brooksdale Foundation	<u>6,000</u>
Total advances from funding agencies			\$18,110
			=====

The RAPP (Relatives as Parents Program) grant is a new grant for which funds were received in FY 98, but the grant period does not begin until July 1, 1998.



Note 9 - Deposit and Escrow Account - Sale of Land

On June 16, 1998, the Council accepted a cash offer of \$86,000 to sell some land that had been donated to the Council in November, 1993. A \$17,000 deposit was received simultaneously with the offer. The sale was completed on July 9, 1998.

Note 10 - Changes in 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 the general long-term debt account group.

	Balance 07/01/97	Increase	Decrease	Balance 06/30/98
Vested Vacation Leave	\$ 77,183	\$ 8,395	\$ -	\$ 85,578
Notes Payable	3,658	-	(3,658)	-
Capital Lease Obligations	87,773	12,589	(29,436)	70,926
	\$168,614	\$ 20,984	\$(33,094)	\$156,504
	=====	=====	=====	=====

Note 11 - Capital Lease Obligations

During the year ended June 30, 1998, the Council had the following capital leases:

<u>Nature of Lease</u>	<u>Monthly Payment</u>	<u>Number of Months</u>	<u>Beginning Date</u>	<u>Imputed Interest</u>
Voice mail equipment	\$ 487.50	60	03/11/94	11.55%
Phone system	717.42	60	03/17/94	18.75%
Voice mail equipment	110.40	60	04/21/94	13.79%
Computer/phone interface system	1,462.50	60	10/23/95	12.50%
Copy machine	473.74	60	06/01/96	14.46%
Copy machine	315.62	60	02/01/98	17.40%

Note 11 - Capital Lease Obligations - (continued)

Future minimum lease payments, by year and in the aggregate, are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
1999	\$ 39,111
2000	27,022
2001	13,385
2002	3,788
2003	<u>2,209</u>
Total minimum lease payments remaining	\$ 85,515
Less: Imputed interest	<u>(14,589)</u>
Present value of net minimum lease payments at June 30, 1998	\$ 70,926 =====

Note 12 - Operating Leases

On September 1, 1992, the Council entered into a lease with the City of Baton Rouge for the building that houses the Council's main office at 5790 Florida Boulevard, Baton Rouge, Louisiana. The terms of this lease require annual payments of \$1 for ten years. The Council is responsible for utilities, normal repairs and maintenance, and liability, fire and casualty insurance.

At June 30, 1998 the Council also had a long-term lease for a security system as follows:

<u>Term</u>	<u>Monthly Payment</u>
05/01/98 to 05/01/03	\$319.25

Note 12 - Operating Leases - (continued)

Future minimum lease payments for the security system are as follows:

<u>Year Ended</u> <u>June 30</u>	<u>Amount</u>
1999	\$ 3,831
2000	3,831
2001	3,831
2002	3,831
2003	<u>3,193</u>
	\$18,517
	=====

Total rent expense was \$3,900 for the year ended June 30, 1998.

Note 13 - In-Kind Donations

The Council received \$295,284 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 expenditures, equal to the in-kind revenues, have also been presented, thereby producing no effect on net income.

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

In-kind services and facilities:

The Councils' main office facility was furnished by the City of Baton Rouge for \$1.00 per year. Janitorial services and maintenance workers are also included. \$123,531

Senior center/meal site facilities and health screening sites are furnished to the Council without charge. 129,043

Community service workers perform services in the kitchen for the meal programs that would have to be performed by paid employees if the community service workers were not available. 27,706

Note 13 - In-Kind Donations - (continued)

The City of Baton Rouge provides postage to the Council.	3,532
Other donated services.	<u>1,272</u>
Total in-kind services and facilities	285,084
In-kind fixed assets:	
Medical equipment	<u>10,200</u>
Total in-kind contributions	\$295,284 =====

The Council receives additional support through services contributed by volunteers that does not meet the criteria for recognition under generally accepted accounting principles because the Council would not hire additional paid employees to perform these services if volunteers were not available.

Note 14 - 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 in accordance with the State of Louisiana's travel reimbursement policy when attending meetings on behalf of the Council.

Note 15 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501 (c)(3) of the Internal Revenue Code 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 16 - Judgments, Claims, and Similar Contingencies

On September 8, 1989, the Council was sued by a former employee who alleged employment discrimination by the Council. On March 2, 1993, the Council was sued by another former employee who claims that the Council defamed her and wrongfully discharged her from her job. There has been no activity in either of these cases for more than 48 months. Although neither case has been declared abandoned, the attorney for the Council expects the time will run without further prosecution.

The United States Postal Service (USPS) has claimed that the Council's monthly publication, The Platinum Record, contained certain advertising that made the publication ineligible for Nonprofit Standard Mail rates under Public Law 101-509. The USPS has charged the Council the higher regular bulk rates for The Platinum Record as of February, 1998 and has demanded \$19,341 of revenue deficiency for the period February, 1996 to January, 1998. The Council's management believes that the USPS representative has misapplied the restriction under Public Law 101-509 and that the Council will ultimately prevail. The matter is being appealed through the USPS appeals process.

Note 17 - Federal Award Programs

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

Note 18 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Governor's Office of Elderly Affairs and quarterly allocations from the City of Baton Rouge, Louisiana. The grant amounts are appropriated each year by the federal, state, and local governments. If significant budget cuts are made at the federal, state and/or local 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 19 - IRC Section 125 Cafeteria Plan

In January, 1992, the Council established an Internal Revenue Code Section 125 "cafeteria" plan for its full-time employees. Under this plan an eligible employee can elect to have a portion of his/her compensation reduced to pay for personal health insurance, dental insurance, and/or disability insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each full-time employee.

Note 20 - IRC Section 457 - Deferred Compensation

The Council offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all Council employees and permits them to defer a portion of their salary until future years. Participation in the plan is at the employee's option. The deferred compensation is not available to participating employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusion benefit of the participants and their beneficiaries.

In accordance with GASB statement No. 32, the Council does not present the investment in deferred compensation and the offsetting deposits and escrow accounts as assets and liabilities on its combined balance sheet.

Note 21 - Risk Management

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

Note 22 - Interfund Loans

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. Such advances create short-term interfund loans.

The interfund loans at June 30, 1998 were created by the prepayment of a FY 99 Title III-F expenditure and were as follows:

	<u>Due From</u> <u>Other Funds</u>	<u>Due To</u> <u>Other Funds</u>
General Funds	\$ <u>1,169</u>	\$ -
Special Revenue Fund: Title III-F	<u>-</u>	<u>1,169</u>
Total all funds	\$ 1,169 =====	\$ 1,169 =====

Note 23 - Interfund Transfers

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

Funds Transferred Into:	<u>Funds Transferred Out From</u>					<u>TOTAL</u>
	<u>General Fund</u>		<u>Special Revenue Fund</u>			
	<u>PCOA</u>	<u>LOCAL</u>	<u>USDA</u>	<u>SENIOR CENTER</u>	<u>SUPPLE. SENIOR CENTER</u>	
Special Revenue Funds:						
Title III-B	\$ -	\$ -	\$ -	\$ 84,038	\$ -	\$ 84,038
Title C-1	16,014	-	23,703	-	-	39,717
Title C-2	29,890	-	54,502	-	-	84,392
Title III-D	499	-	-	-	-	499
Title III-F	10,555	-	-	20,978	51,132	82,665
RSVP	-	20,548	-	-	-	20,548
 Total special revenue funds	 56,958	 20,548	 78,205	 105,016	 51,132	 311,859
General Fund:						
Local Programs	-	426,809	-	-	-	426,809
 Total general fund	 -	 426,809	 -	 -	 -	 426,809
 Total all funds	 \$56,958	 \$447,357	 \$78,205	 \$105,016	 \$51,132	 \$738,668
	=====	=====	=====	=====	=====	=====



SUPPLEMENTARY FINANCIAL INFORMATION

EAST BATON ROUGE COUNCIL ON AGING, INC.  
 SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND  
 For the year ended June 30, 1998

PROGRAMS of the GENERAL FUND

	Local	PCOA	Grande Aid	Public Relations	Medicaid Waiver	Grande Meals	Assessments and Case Management	Wellness Partners	Geriatric Fitness	Local Transportation	Totals
<b>REVENUES</b>											
Intergovernmental:											
City of Baton Rouge	\$ 689,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689,260
Office of Elderly Affairs	-	56,958	-	-	-	-	-	-	-	-	56,958
Interest income	25,627	-	-	-	-	-	-	-	-	-	25,627
Unrestricted public support	5,492	-	-	-	-	-	-	-	-	-	5,492
Restricted public support:											
Fans for elderly	6,396	-	-	-	-	-	-	-	-	-	6,396
Participant contributions	-	-	-	1,319	-	-	-	-	-	-	1,319
Other general public	4,103	-	-	365	-	-	-	-	12	-	4,480
Program service fees:											
Medicare and Medicaid reimbursements	2,262	-	321,480	-	37,616	-	-	-	-	-	361,358
Meals sold	-	-	-	-	-	50,666	-	-	-	-	50,666
SeniorNet	14,810	-	-	-	-	-	-	-	-	-	14,810
Special projects	8,227	-	-	-	-	-	-	-	-	-	8,227
Case management and insurance assessments	-	-	-	-	-	-	5,563	-	-	-	5,563
Wellness training	-	-	-	-	-	-	-	4,609	-	-	4,609
Life Alert sales	4,337	-	-	-	-	-	-	-	-	-	4,337
Photo print shop	3,458	-	-	-	-	-	-	-	-	-	3,458
Health screening	2,510	-	-	-	-	-	-	-	-	-	2,510
Other	2,539	-	-	-	-	-	-	35	-	-	2,574
Special events:											
Sponsorship fees	-	-	-	15,217	-	-	-	-	-	-	15,217
Sky School fees	1,840	-	-	-	-	-	-	-	-	-	1,840
Miscellaneous:											
Platinum Record and Platinum Plus ad sales	-	-	-	80,173	-	-	-	-	-	-	80,173
Consignment Store sales	1,752	-	-	-	-	-	-	-	-	-	1,752
Sales of refreshments	1,607	-	-	-	-	-	-	-	-	-	1,607
Sales of materials	-	-	-	-	-	-	-	1,542	-	-	1,542
Other	631	-	57	-	-	-	-	-	-	-	688
In-kind contributions	16,183	-	24,191	12,391	3,705	3,061	260	2,191	13,062	1,260	76,304
<b>Total revenues</b>	<b>791,034</b>	<b>56,958</b>	<b>345,728</b>	<b>109,465</b>	<b>41,321</b>	<b>53,727</b>	<b>5,823</b>	<b>8,377</b>	<b>13,074</b>	<b>2,411</b>	<b>1,427,918</b>

SCHEDULE 1 CONTINUED ON NEXT PAGE

EAST BATON ROUGE COUNCIL ON AGING, INC.  
SCHEDULE OF PROGRAM REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GENERAL FUND  
For the year ended June 30, 1998

PROGRAMS of the GENERAL FUND

EXPENDITURES	Local	PCOA	Grande Aid	Public Relations	Medicaid Waiver	Grande Meals	Assessments				Local Transportation	Totals
							Wellness Partners	Geriatric Fitness	and Case Management	Wellness Partners		
Current:												
Salaries	132,016	-	330,090	98,472	55,394	11,781	3,477	15,536	39,271	19,857	705,894	
Fringe	19,029	-	43,306	14,818	7,277	1,728	405	1,961	4,322	2,077	94,923	
Travel	7,026	-	4,713	1,663	3,125	58	596	1,182	1,200	84	19,647	
Operating services	38,617	-	46,990	112,972	3,678	2,323	419	5,976	8,668	1,480	221,123	
Operating supplies	9,910	-	12,972	2,094	596	819	31	1,945	344	156	28,867	
Other costs	34,428	-	24,132	6,956	636	1,347	40	15,204	843	395	83,981	
Meals	-	-	-	-	-	13,713	-	-	-	-	13,713	
Capital outlay	25,645	-	-	-	-	-	-	-	-	-	25,645	
Debt service:												
Principal retirement	33,095	-	-	-	-	-	-	-	-	-	33,095	
Interest	11,204	-	-	-	-	-	-	-	-	-	11,204	
In-kind expenditures:												
Capital outlay	-	-	-	-	-	-	-	-	10,200	-	10,200	
Services and facilities	16,183	-	24,191	12,391	3,705	3,061	260	2,191	2,862	1,260	66,104	
Total expenditures	327,153	-	486,394	249,366	74,411	34,830	5,228	43,995	67,710	25,309	1,314,396	
Excess of revenues over (under) expenditures	463,881	56,958	(140,666)	(139,901)	(33,090)	18,897	595	(35,618)	(54,636)	(22,898)	113,522	
OTHER FINANCING SOURCES (USES)												
Operating transfers in	-	-	140,666	139,901	33,090	-	-	35,618	54,636	22,898	426,809	
Operating transfers out	(446,762)	(56,958)	-	-	-	-	(595)	-	-	-	(504,315)	
Proceeds from capital lease obligations	12,589	-	-	-	-	-	-	-	-	-	12,589	
Excess of revenues and other sources over (under) expenditures and other uses	29,708	-	-	-	-	18,897	-	-	-	-	48,605	
FUND BALANCE (DEFICIT)												
Beginning of year	571,489	-	-	-	-	32,076	-	-	-	-	603,565	
End of year	\$ 601,197	\$ -	\$ -	\$ -	\$ -	\$ 50,973	\$ -	\$ -	\$ -	\$ -	\$ 652,170	

NOTE: Program deficits in the Grande Aid (\$235,300), Wellness Partners (\$20,839), and Local Transportation (\$12,357) programs as of June 30, 1997, were absorbed by the beginning fund balances of the local program rather than carrying forward the deficits into this fiscal year.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS  
 For the Year Ended June 30, 1998

	Title III B	Title C AAA	Title III C-1	Title III C-2	Title III D	Title III F	U.S.D.A.	Audit	Senior Center	Supple. Senior Center	RSVP	Utility Assistance	Totals
<b>REVENUES</b>													
Intergovernmental:													
GOEA	\$ 264,052	\$ 67,604	\$ 338,358	\$ 228,753	\$ 9,785	\$ 12,000	\$ 94,219	\$ 8,841	\$ 192,670	\$ 100,000	\$ 20,140	\$ -	\$ 1,336,422
The Corporation for National and Community Service											48,507		48,507
Public support (restricted):													
Client contributions	1,248		67,793	9,111	73	100							78,325
Donations			417										417
General public via utility company programs												55,730	55,730
Insurance proceeds			1,738	1,738									3,476
In-kind contributions	18,305		112,475	77,931	543	5,027					4,699		218,980
Total revenues	283,605	67,604	520,781	317,533	10,401	17,127	94,219	8,841	192,670	100,000	73,346	55,730	1,741,857
<b>EXPENDITURES</b>													
Current:													
Salaries	263,471	41,768	211,403	150,200	8,090	70,035			74,650		58,415	1,980	880,012
Fringe	42,234	5,237	30,984	22,066	1,180	9,836			13,004		7,256	494	132,291
Travel	8,376	850	1,577	11,661	423	3,398					7,320		33,603
Operating services	18,780	17,638	33,224	23,074	516	7,398					5,543		106,173
Operating supplies	2,815	1,701	9,750	7,037	65	1,121					706		23,196
Other costs	3,585	410	7,881	5,023	83	2,979		8,841			7,740		36,542
Full service	10,076												10,076
Meals			153,204	104,933							2,686		260,823
Capital outlay													
Subgrantee										48,868			48,868
Utility assistance												42,191	42,191
In-kind services and facilities	18,305		112,475	77,931	543	5,027					4,699		218,980
Total expenditures	367,643	67,604	560,498	401,925	10,900	99,792		8,841	87,654	48,868	94,365	44,665	1,792,755
Excess of revenues over (under) expenditures	(84,038)		(39,717)	(84,392)	(499)	(82,665)	94,219		105,016	51,132	(21,019)	11,065	(50,898)
<b>OTHER FINANCING SOURCES (USES)</b>													
Operating transfers in	84,038		39,717	84,392	499	82,665					20,548		311,859
Operating transfers out							(78,205)		(105,016)	(51,132)			(234,353)
Excess of revenues and other sources over (under) expenditures and other uses							16,014				(471)	11,065	26,608
<b>FUND BALANCE</b>													
Beginning of year											1,518	42,130	43,648
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,014	\$ -	\$ -	\$ -	\$ 1,047	\$ 53,195	\$ 70,256



EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>PCOA - ACT 735</u>			
Transfers out to Title III C-1	\$ 13,487	\$ 16,014	\$ (2,527)
Transfers out to Title III C-2	36,040	29,890	6,150
Transfers out to Title III D	-	499	(499)
Transfers out to Title III F	<u>7,431</u>	<u>10,555</u>	<u>(3,124)</u>
 Total PCOA	 \$ 56,958 =====	 \$ 56,958 =====	 - =====
 <u>TITLE III B</u>			
Salaries	\$271,263	\$263,471	\$ 7,792
Fringe	45,994	42,234	3,760
Travel	7,734	8,376	(642)
Operating services	25,018	18,780	6,238
Operating supplies	2,940	2,816	124
Other costs	585	3,585	(3,000)
Full service	10,076	10,076	-
Meals	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
 Totals Title III B	 \$363,610 =====	 \$349,338 =====	 \$ 14,272 =====
 <u>TITLE III C - AAA</u>			
Salaries	\$ 41,769	\$ 41,768	\$ 1
Fringe	5,237	5,237	-
Travel	850	850	-
Operating services	17,637	17,638	(1)
Operating supplies	1,701	1,701	-
Other costs	410	410	-
Full service	-	-	-
Meals	-	-	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
 Total Title III C - AAA	 \$ 67,604 =====	 \$ 67,604 =====	 \$ - =====

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>TITLE III C-1</u>			
Salaries	\$226,166	\$211,403	\$ 14,763
Fringe	39,266	30,984	8,282
Travel	2,332	1,577	755
Operating services	41,945	33,224	8,721
Operating supplies(*)	10,723	9,750	973
Other costs	3,697	7,881	(4,184)
Full service	-	-	-
Meals:			
Raw food	132,000	131,209	791
Non-edibles	22,200	21,995	205
Capital outlay	-	-	-
 Total Title III C-1	 \$478,329 =====	 \$448,023 =====	 \$ 30,306 =====
 <u>TITLE III C-2</u>			
Salaries	\$149,121	\$150,200	\$ (1,079)
Fringe	25,384	22,066	3,318
Travel	10,388	11,661	(1,273)
Operating services	26,690	23,074	3,616
Operating supplies	6,714	7,037	(323)
Other costs	2,124	5,023	(2,899)
Full service	-	-	-
Meals:			
Raw food	77,000	89,869	(12,869)
Non-edibles	12,950	15,064	(2,114)
Capital outlay	-	-	-
 Total Title III C-2	 \$310,371 =====	 \$323,994 =====	 \$ (13,623) =====
 <u>TITLE III D</u>			
Salaries	\$ 8,837	\$ 8,090	\$ 747
Fringe	1,333	1,180	153
Travel	430	423	7
Operating services	734	516	218
Operating supplies	70	65	5
Other costs	17	83	(66)
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
 Total Title III D	 \$ 11,421 =====	 \$ 10,357 =====	 \$ 1,064 =====

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	Budget	Actual	Variance- Favorable (Unfavorable)
<u>TITLE III F</u>			
Salaries	\$ 63,501	\$ 70,035	\$ (6,534)
Fringe	9,271	9,836	(565)
Travel	3,357	3,396	(39)
Operating services	7,416	7,398	18
Operating supplies	957	1,121	(164)
Other costs	2,100	2,979	(879)
Full service	-	-	-
Meals	-	-	-
Capital outlay	-	-	-
	\$ 86,602	\$ 94,765	\$ (8,163)
Total Title III F	=====	=====	=====
 <u>U.S.D.A.</u>			
Transfers to Title III C-1	\$ 57,915	\$ 23,703	\$ 34,212
Transfers to Title III C-2	36,578	54,502	(17,924)
	\$ 94,493	\$ 78,205	\$ 16,288
Total U.S.D.A.	=====	=====	=====
 <u>AUDIT</u>			
Other costs	\$ 8,841	\$ 8,841	\$ -
	\$ 8,841	\$ 8,841	\$ -
Total Audit(*)	=====	=====	=====
 (*) Additional audit costs of \$12,889 were allocated as an indirect expense.			
 <u>SENIOR CENTER</u>			
Salaries	\$ 73,544	\$ 74,650	\$ (1,106)
Fringe	13,364	13,004	360
Transfers to Title III B	98,380	84,038	14,342
Transfers to Title III D	1,592	-	1,592
Transfers to Title III F	5,790	20,978	(15,188)
	\$192,670	\$192,670	\$ -
Total Senior Center	=====	=====	=====
 <u>SUPPLEMENTAL SENIOR CENTER</u>			
Subgrantee	\$ 50,000	\$ 48,868	\$ 1,132
Transfers to Title III F	50,000	51,132	(1,132)
	\$100,000	\$100,000	\$ -
Total Supplemental Senior Center	=====	=====	=====

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

			<u>% of GOEA Grant</u>
Access (30%):	Assisted Transportation	\$ -	
	Case Management	38,482	
	Transportation	-	
	Information & assistance	195,567	
	Outreach	<u>-</u>	
	Total access expenses	\$234,049	116.14% =====
In-Home (15%)	Homemaker	94,748	
	Chore	10,465	
	Telephoning	-	
	Visiting	-	
	Adult/daycare/health	-	
	Personal care	<u>-</u>	
	Total in-home expenses	105,213	52.21% =====
Legal (5%)	Legal assistance	10,076	5.00% =====
Non-priority services		<u>-</u>	
Total Title IIIB - Supportive services expenditures		349,338	
Less: Participant contributions		(1,248)	
Other public support		-	
Transfers in		<u>(84,038)</u>	
Title IIIB - Supportive services grant		264,052	
Less: Transfers of contract allotments		-	
State homemaker		-	
State transportation		<u>(62,531)</u>	
Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments		\$201,521 =====	



EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

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

For the year ended June 30, 1998

	Balance June 30, <u>1997</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>1998</u>
General fixed assets:				
Vehicles	\$ 65,547	\$ -	\$ (5,000)	\$ 60,547
Office furniture and equipment	206,187	22,761	-	228,948
Computer software	21,830	-	-	21,830
Nutrition equipment	80,387	-	-	80,387
Leasehold improvements	78,463	495	-	78,958
Capital leases	162,532	12,589	-	175,121
Land	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>69,000</u>
Total general fixed assets	\$683,946 =====	\$ 35,845 =====	\$ (5,000) =====	\$714,791 =====
Investment in general fixed assets:				
Property acquired with funds from -				
General funds and local donations	\$468,125	\$ 25,645	\$ -	\$493,770
Title III-B Administration	1,750	-	-	1,750
Title III-B Supportive Services	392	-	-	392
RSVP	1,298	-	-	1,298
Disaster Assistance	4,750	-	-	4,750
PCOA	5,308	-	-	5,308
Title III C-1	333	-	-	333
Title III C-2	543	-	-	543
Title III F	1,379	-	-	1,379
Funding information not maintained to identify fixed assets acquired before 1-1-92	117,383	-	(5,000)	112,383
In-kind from the general public	<u>82,685</u>	<u>10,200</u>	<u>-</u>	<u>92,885</u>
Total investments in general fixed assets	\$683,946 =====	\$ 35,845 =====	\$ (5,000) =====	\$714,791 =====

EAST BATON ROUGE COUNCIL ON AGING, INC.  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the year ended June 30, 1998

Schedule 6  
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FEDERAL GRANTOR/PASS-THROUGH GRANTORS/ PROGRAM TITLE OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANT NUMBER	GRANT YEAR ENDED	PROGRAM OR AWARD AMOUNT	FEDERAL REVENUE RECOGNIZED	FEDERAL EXPENDITURES
<i>The Corporation for National and Community Service</i>						
Direct Programs:						
Retired Senior Volunteer Program (RSVP)	94.002	340W021/14-01	12/31/97	\$ 47,185	\$ 30,871	\$ 30,871
Retired Senior Volunteer Program (RSVP)	94.002	340W021/15-00	12/31/98	47,185	17,636	17,636
Subtotal CFDA #94.002				94,370	48,507	48,507
Totals for The Corporation for National and Community Service				94,370	48,507	48,507
<i>U.S. Department of Health and Human Services - Administration on Aging</i>						
Passed through the Governor's Office of Elderly Affairs: Special Programs for the Aging - Cluster:						
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	N/A	06/30/98	171,293	171,293	171,293
Title III, Part C - Area Agency Administration	93.045	N/A	06/30/98	50,703	50,703	50,703
Title III, Part C - 1 - Nutrition Services - Congregate Meals	93.045	N/A	06/30/98	175,229	175,229	175,229
Title III, Part C - 2 - Nutrition Services - Home Delivered Meals	93.045	N/A	06/30/98	91,288	91,288	91,288
Subtotal CFDA #93.045				317,220	317,220	317,220
Title III, Part D - In-Home Services for Frail Older Individuals	93.046	N/A	06/30/98	8,317	8,317	8,317
Title III F - Disease Prevention and and Health Promotion Services	93.043	N/A	06/30/98	10,200	10,200	10,200
Totals for U.S. Department of Health and Human Services				507,030	507,030	507,030
<i>U.S. Department of Agriculture</i>						
Passed through the Governor's Office of Elderly Affairs: Nutrition Program for the Elderly (1)						
	10.570	N/A	06/30/98	150,000	94,219	78,205
Subtotal CFDA #10.570				150,000	94,219	78,205
Total federal grants				\$ 751,400	\$ 649,756	\$ 633,742

The accompanying notes are an integral part of this schedule.

(1) There were \$16,014 of funds earned but not spent under the FY 98 award that will be carried over to FY 99.

Note A - Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the East Baton Rouge Council on Aging, Inc. and has been prepared using the modified accrual basis of accounting as contemplated under generally accepted principles and which is the same basis of accounting used for presenting the general purpose financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the general-purpose financial statements.

Note B - The East Baton Rouge Council on Aging, Inc. did not pass-through any of its federal awards to a subrecipient during the fiscal year.

Note C - No federal awards were expended in the form of non-cash assistance during the fiscal year.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

SCHEDULE OF RSVP ACTIVITY

For the Grant Year Ended December 31, 1997

Costs Incurred For RSVP Were As Follows:

	<u>Actual</u>	<u>Actual %</u>	<u>Budget</u>	<u>Budget %</u>
Volunteer Support	\$51,871	74.65%	\$51,685	74.82%
Volunteer Expense	<u>17,616</u>	25.35%	<u>17,397</u>	25.18%
Total costs incurred	69,487		\$69,082	=====
Costs paid with local match	<u>(2,586)</u>			
Costs remaining to be paid with The Corporation for National and Community Service and GOEA Funds	\$66,901			=====
Costs paid for with GOEA (State) funds received	\$19,716			
Costs paid with funds from The Corporation for National and Community Service	<u>47,185</u>			
	\$66,901			=====

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1998

**A. SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the East Baton Rouge Council on Aging, Inc.
2. No internal control matters relating to the audit of the general purpose financial statements are reported in the "Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards."
3. No instances of noncompliance material to the general purpose financial statements of the East Baton Rouge Council on Aging, Inc. were disclosed during the audit.
4. No internal control matters relating to the audit of the major federal award programs are reported in the "Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133."
5. The auditor's report on compliance for the major federal award programs for the East Baton Rouge Council on Aging, Inc. expresses an unqualified opinion.
6. There are no findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.



EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

June 30, 1998

7. The programs tested as major programs are as follows:

U.S. Department of Health and Human Services -  
Administration on Aging/Passed through the Louisiana  
Governor's Office of Elderly Affairs:

Special Programs for the Aging-Cluster:

- Title III, Part B - Grants for Supportive Services and Senior Centers; CFDA #93.044
- Title III, Part C - Nutrition Services; CFDA #93.045
- Title III, Part D - In-Home Services for Frail Older Individuals; CFDA #93.046, and
- Title III, Part F - Disease Prevention and Health Promotion Services; CFDA #93.043

8. The threshold for distinguishing Types A and B programs was \$300,000.

9. East Baton Rouge Council on Aging, Inc. was not determined to be a low-risk auditee.

**B. FINANCIAL STATEMENT FINDINGS**

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

**C. MAJOR FEDERAL AWARD PROGRAM FINDINGS AND QUESTIONED COSTS**

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

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION PLAN

June 30, 1998

To the following oversight agencies for audit:

Federal: U.S. Department of Health and Human Services -  
Administration on Aging.

State: Legislative Auditor of the State of Louisiana; and  
Governor's Office of Elderly Affairs.

East Baton Rouge Council on Aging, Inc., Baton Rouge, Louisiana,  
respectfully submits the following corrective action plan for the  
year ended June 30, 1998.

Name and address of independent public accounting firm: Neil G.  
Ferrari, CPA, 14481 Old Hammond Highway, Suite 4, Baton Rouge,  
Louisiana, 70816.

Audit period: For the year ended June 30, 1998.

There were no findings mentioned on the June 30, 1998 schedule of  
findings and questioned costs. No management letter was issued  
this year by the auditor. Accordingly, no corrective action plan  
is required to be submitted by the Council's management.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
RELATIVE TO FEDERAL AWARDS PROGRAMS

June 30, 1998

There were no internal control matters noted in the June 30, 1997 audit report relative to federal award programs.

There were no material instances of noncompliance noted in the June 30, 1997 audit report relative to federal award programs.

Accordingly, nothing is required to be reported in this section of the report.

There were other findings noted by the auditor in the June 30, 1997 audit and reported to management in a separate letter dated September 8, 1997, but they were classified as immaterial weaknesses in the Council's internal control and immaterial instances of noncompliance.

EAST BATON ROUGE COUNCIL ON AGING, INC.  
BATON ROUGE, LOUISIANA

SCHEDULE OF PRIOR YEAR FINDINGS - MANAGEMENT LETTER

For the Year Ended June 30, 1998

Item #: IC-1

Auditor's  
Recommendation: The auditor recommended the Council begin using the Fundware accounts receivable module to better monitor receivables.

Status: Resolved

Item #: NC-1

Auditor's  
Recommendation: The auditor recommended the Council redesign the timesheets for employees working in multiple programs so that the actual number of hours worked in each program could be properly recorded.

Status: Resolved

Item#: NC-2

Auditor's  
Recommendation: The auditor recommended the RSVP Director verify that enough funds are spent on volunteers to comply with grant requirements.

Status: Resolved