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Financial Report
St. Helena Council on Aging, Inc.
Greensburg, 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 audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 08 1999

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St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1999

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the accompanying general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, 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 St. Helena Council on Aging, Inc., Greensburg, 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 August 24, 1999, on my consideration of the St. Helena Council on Aging, Inc.'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 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 Standards 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 and express no opinion on it. In addition, I do not provide assurance that St. Helena Council on Aging, Inc. is or will become year 2000 compliant, that St. Helena Council on Aging, Inc.'s year 2000 remediation efforts will be successful in whole or in part, or that parties with which St. Helena Council on Aging, Inc. does business are or will be come year 2000 compliant.

Neil A. Ferrari, CPA

Baton Rouge, Louisiana,
August 24, 1999.

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,
St. Helena Council on Aging, Inc.
Greensburg, Louisiana.

I have audited the general purpose financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated August 24, 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 St. Helena 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 St. Helena 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. 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 St. Helena Council on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. A 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.

Will B. Furani, CPA

Baton Rouge, Louisiana,
August 24, 1999.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

St. Helena Council on Aging, Inc.
Greensburg, 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 | \$ 13,412 | \$ 0 | \$ 0 | \$ 0 | \$ 13,412 | \$ 6,708 |
| Grants and contracts receivable | 0 | 4,715 | 0 | 0 | 4,715 | 5,817 |
| Accounts receivable | 276 | 84 | 0 | 0 | 360 | 174 |
| Due from Special Revenue funds | 4,485 | 0 | 0 | 0 | 4,485 | 4,200 |
| Restricted assets - Cash | 0 | 0 | 0 | 0 | 0 | 69 |
| Fixed assets | 0 | 0 | 13,575 | 0 | 13,575 | 11,710 |
| Other debits: | | | | | | |
| Amount to be provided to retire long-term debt | 0 | 0 | 0 | 0 | 0 | 750 |
| Total assets and other debits | \$ 18,173 | \$ 4,799 | \$ 13,575 | \$ 0 | \$ 36,547 | \$ 29,428 |
| LIABILITIES, FUND EQUITY, AND OTHER CREDITS | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 277 | \$ 314 | \$ 0 | \$ 0 | \$ 591 | \$ 14 |
| Due to General Fund | 0 | 4,485 | 0 | 0 | 4,485 | 4,200 |
| Long-term debt: | | | | | | |
| Capital lease obligation | 0 | 0 | 0 | 0 | 0 | 750 |
| Total liabilities | 277 | 4,799 | 0 | 0 | 5,076 | 4,964 |
| Fund Equity and Other Credits: | | | | | | |
| Fund balances: | | | | | | |
| Reserved | 0 | 0 | 0 | 0 | 0 | 69 |
| Unreserved - undesignated | 17,896 | 0 | 0 | 0 | 17,896 | 12,685 |
| Investment in general fixed assets | 0 | 0 | 13,575 | 0 | 13,575 | 11,710 |
| Total fund equity and other credits | 17,896 | 0 | 13,575 | 0 | 31,471 | 24,464 |
| Total liabilities, fund equity and other credits | \$ 18,173 | \$ 4,799 | \$ 13,575 | \$ 0 | \$ 36,547 | \$ 29,428 |

The accompanying notes are an integral part of this statement.

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

**St. Helena Council on Aging, Inc.
Greensburg, 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 | \$ 22,279 | \$ 89,772 | \$ 112,051 | \$ 101,955 |
| Public Support | 2,625 | 12,234 | 14,859 | 12,572 |
| Interest Income | 277 | 0 | 277 | 264 |
| Program Service Fees | 0 | 308 | 308 | 196 |
| Total revenues | 25,181 | 102,314 | 127,495 | 114,987 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Salaries & Wages | 0 | 75,222 | 75,222 | 73,612 |
| Fringe | 0 | 12,957 | 12,957 | 12,095 |
| Travel | 294 | 15,598 | 15,892 | 12,770 |
| Operating Services | 0 | 7,021 | 7,021 | 6,924 |
| Operating Supplies | 4 | 3,745 | 3,749 | 2,953 |
| Other Costs | 301 | 4,199 | 4,500 | 2,632 |
| Meals | 0 | 0 | 0 | 0 |
| Capital Outlay | 1,865 | 0 | 1,865 | 0 |
| Debt Service | 786 | 0 | 786 | 798 |
| Utility Assistance | 0 | 361 | 361 | 375 |
| Total expenditures | 3,250 | 119,103 | 122,353 | 112,159 |
| Excess of revenues over(under) expenditures | 21,931 | (16,789) | 5,142 | 2,828 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 12,047 | 51,797 | 63,844 | 36,327 |
| Operating transfers out | (28,767) | (35,077) | (63,844) | (36,327) |
| Excess of revenues and other sources over (under) expenditures and other uses | 5,211 | (69) | 5,142 | 2,828 |
| FUND BALANCES | | | | |
| Beginning of year, as restated | 12,685 | 69 | 12,754 | 9,926 |
| End of year | \$ 17,896 | \$ 0 | \$ 17,896 | \$ 12,754 |

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**

**St. Helena Council on Aging, Inc.
Greensburg, Louisiana**

For the year ended June 30, 1999

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|---|------------------|------------------|--|
| <u>REVENUES</u> | | | |
| Intergovernmental | \$ 22,600 | \$ 22,279 | \$ (321) |
| Public Support | 1,900 | 2,625 | 725 |
| Interest Income | 0 | 277 | 277 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 24,500 | 25,181 | 681 |
| | <hr/> | <hr/> | <hr/> |
| <u>EXPENDITURES</u> | | | |
| Current: | | | |
| Salaries & Wages | 0 | 0 | 0 |
| Fringe | 0 | 0 | 0 |
| Travel | 0 | 294 | (294) |
| Operating Services | 0 | 0 | 0 |
| Operating Supplies | 0 | 4 | (4) |
| Other Costs | 0 | 301 | (301) |
| Meals | 0 | 0 | 0 |
| Capital Outlay | 1,900 | 1,865 | 35 |
| Debt Service | 798 | 786 | 12 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 2,698 | 3,250 | (552) |
| | <hr/> | <hr/> | <hr/> |
| Excess of revenues over(under) expenditures | 21,802 | 21,931 | 129 |
| | <hr/> | <hr/> | <hr/> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | |
| Operating transfers in | 0 | 12,047 | 12,047 |
| Operating transfers out | (21,802) | (28,767) | (6,965) |
| | <hr/> | <hr/> | <hr/> |
| Excess of revenues and other sources over(under) expenditures and other uses | 0 | 5,211 | \$ <u>5,211</u> |
| | <hr/> | <hr/> | <hr/> |
| <u>FUND BALANCES</u> | | | |
| Beginning of year, as restated | 12,685 | 12,685 | |
| | <hr/> | <hr/> | |
| End of year | \$ <u>12,685</u> | \$ <u>17,896</u> | |

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**

**St. Helena Council on Aging, Inc.
Greensburg, Louisiana**

For the year ended June 30, 1999

| | <u>Budget</u> | <u>Actual</u> | <u>Variance- Favorable (Unfavorable)</u> |
|---|---------------|---------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 89,772 | \$ 89,772 | \$ 0 |
| Public Support | 11,522 | 12,234 | 712 |
| Program Service Fees | 300 | 308 | 8 |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 101,594 | 102,314 | 720 |
| EXPENDITURES | | | |
| Current: | | | |
| Salaries & Wages | 75,007 | 75,222 | (215) |
| Fringe | 13,495 | 12,957 | 538 |
| Travel | 16,090 | 15,598 | 492 |
| Operating Services | 7,806 | 7,021 | 785 |
| Operating Supplies | 3,701 | 3,745 | (44) |
| Other Costs | 6,551 | 4,199 | 2,352 |
| Meals | 0 | 0 | 0 |
| Capital Outlay | 746 | 0 | 746 |
| Utility Assistance | 0 | 361 | (361) |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 123,396 | 119,103 | 4,293 |
| Excess of revenues over(under) expenditures | (21,802) | (16,789) | 5,013 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers in | 41,926 | 51,797 | 9,871 |
| Operating transfers out | (20,124) | (35,077) | (14,953) |
| | <hr/> | <hr/> | <hr/> |
| Excess of revenues and other sources over(under) expenditures and other uses | 0 | (69) | \$ (69) |
| FUND BALANCES | | | |
| Beginning of year | 69 | 69 | |
| | <hr/> | <hr/> | |
| End of year | \$ 69 | \$ 0 | |
| | <hr/> | <hr/> | |

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

St. Helena Council on Aging, Inc.
Greensburg, 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 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 St. Helena 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 and the State of Louisiana. Other entities that provide the Council with funds may impose some additional requirements.

The primary function of the St. Helena Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, home repairs, material aid, information and referral services, outreach, utility assistance, operating senior centers, and transportation. A Board of Directors consisting of 11 voluntary members, who serve three-year terms, governs the Council.

The St. Helena Council on Aging, Inc. 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 spent and the means by which

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

c. Fund Accounting: (continued)

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 discretionary funds are accounted for and reported according to the source (federal, state or local) from which they are derived.

The following programs comprise the Council's General Fund:

Local

Funds received from various local sources, such as; allocations from the St. Helena Parish Police Jury, donations from the general public, program service fees, and interest income earned on unrestricted fund balances have been recorded in the local program of the General Fund. These funds are not restricted to any special use and may be used at the Council's discretion. 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)

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Louisiana 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 the PCOA funds to other programs to help provide additional funds to meet program costs.

◆ Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Most of the Council's special revenue funds are Title III funds. These funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Louisiana Governor's Office of Elderly Affairs (GOEA), which in turn "passes through" the funds to the Council via the CAAA. GOEA also provides CAAA funds from other state grants which are in turn passed through to the Council.

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

Title III B Supportive Services Fund

The Title III B Supportive Services Fund is used to account for funds which are to provide a variety of services to the elderly, such as; outreach, case management, material aid, home repair, transportation, recreation, utility assistance, telephoning, and information and referral.

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. During the year, the Council served 8,677 meals to eligible participants 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 older persons. During the year, the Council served 31,230 meals to eligible participants 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 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. During the year, the Council provided 20 home repair units of service 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 239 units of wellness service to eligible participants in this program.

Note 1 - Summary of Significant Accounting Policies - (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 CAAA. 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. All \$18,530 of Senior Center funds received this year were transferred to the Title III C2 program to help pay for the cost of providing home-delivered meals.

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1999. St. Helena Council on Aging, Inc. was one of the parish councils to receive a special grant of \$4,500. The Governor's Office of Elderly Affairs provided these funds to the Council through the CAAA. The Council used these funds to supplement the Title III C2 home-delivered meals program this year.

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

◆ Special Revenue Funds - (continued)

Utility Assistance Fund

This fund is used to 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 to provide assistance to the elderly for the payment of utility bills. During the fiscal year, the Council received Helping Hands and Heating Help funds through the Louisiana Association of Councils on Aging, Inc(LACOA).

Audit Fund

The Audit Fund is used 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 CAAA, that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements.

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 St. Helena Council on Aging 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.

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. However, principal and interest payments on long-term liabilities (capital lease obligations) are accounted for in the General Fund because the Council intends to use General Fund revenues to pay them. 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 management 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 follows these procedures in establishing the budgetary data reflected 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.
- ◆ 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.
- ◆ The Council's executive director prepares a proposed budget based on the funding levels provided by CAAA 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.
- ◆ All budgetary appropriations lapse at the end of each fiscal year (June 30).
- ◆ The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

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

g. Budget Policy: - (continued)

- ◆ Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one budget amendment during the year. The amendment was effective May 1, 1999. The budget amendment was approved by the Council's Board of Directors and by CAAA using a similar procedure as the approval of the original budget.
- ◆ 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 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 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.

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

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 has not been presented in each of the statements because its 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, 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:

The Council's annual and sick leave policy does provide for the accumulation and vesting of leave. However, an employee cannot be paid for any accumulated but unused leave upon termination of employment. As a result, the Council has not accrued any costs relating to unused leave in the financial statements.

l. Related Party Transactions:

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

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 designations of fund balances as of June 30, 1999.

n. Restricted Assets:

Restricted assets consist of cash which has been received by the Council for the purpose of providing utility assistance to needy people. This cash resulted from donations made by the general public to various utility companies and is restricted by the donor to only this purpose. Restricted assets are offset by a corresponding reservation of fund balance.

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, Public Support, Interest Income 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 revenues in the period received.

Note 3 - Cash

The Council maintains a consolidated bank account to deposit and disburse its money. This account is available for use by all funds. The purpose of this account is to reduce administrative costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to cover any negative cash balances in other funds at year end.

At June 30, 1999, the carrying amount of the Council's cash balance was \$20,884 whereas the related bank balance was \$13,412. The difference in these amounts relates to deposits that have been made and checks that have been written which have not yet cleared the bank. All of the bank balance was covered entirely by federal depository insurance(Category 1).

Note 4 - Grants and Contracts Receivable

Grants and contracts receivable at June 30, 1999, consisted of reimbursements for units of service provided or costs incurred under the following programs:

| <u>Programs</u> | <u>Fund</u> | <u>Amount</u> | <u>Grantor/ Contractor</u> |
|-----------------|-----------------|------------------|--------------------------------|
| Title III B | Special Revenue | \$ 482 | CAAA |
| Title III C-1 | Special Revenue | 2,670 | CAAA |
| Title III C-2 | Special Revenue | 1,190 | CAAA |
| Title III D | Special Revenue | 367 | CAAA |
| Title III F | Special Revenue | 4 | CAAA |
| Senior Center | Special Revenue | <u>2</u> | CAAA |
| Total | | \$4,715 ===== | |

Note 5 - Changes in Fixed Assets

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

| <u>Asset Category</u> | <u>Balance</u> <u>07-01-98</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>06-30-99</u> |
|------------------------------------|-----------------------------------|--------------------------|----------------------|-----------------------------------|
| Office furniture & equipment | \$ 8,451 | \$ 1,865 | \$ - | \$ 10,316 |
| Nutrition equipment | 696 | - | - | 696 |
| Building improvements | 223 | - | - | 223 |
| Capital lease: Office equipment | <u>2,340</u> | <u>-</u> | <u>-</u> | <u>2,340</u> |
| Totals | <u>\$11,710</u> ===== | <u>\$ 1,865</u> ===== | <u>\$ -</u> ===== | <u>\$ 13,575</u> ===== |

Donated assets represent \$2,100 of the year end total for fixed assets.

Note 6 - In-Kind Contributions

The Council received various in-kind contributions during the year. The primary in-kind contributions consisted of free rent and utilities for the Council's main office, Montpelier, Greensburg, and Morgan Hills senior centers; drivers paid by Title V funds; custodial services paid by the St. Helena Police Jury; health screening services provided by a local health agency; and labor from several volunteers of the local community serving clients at the meal sites and delivering meals. The Council has not presented as revenues or expenses the value of these contributions in the financial statements because their values were not clearly and objectively determined.

Note 7 - Board of Directors' Compensation

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

Note 8 - Retirement Plan

On July 1, 1985, The Council adopted the St. Helena Council on Aging, Inc. Pension Plan. This plan is a defined contribution pension plan which requires that the Council contribute 5% of each participating employee's gross wages each month. All employees age 21 and older with one year of service are eligible for participation in the plan. Benefits are fully and immediately vested from the first date an employee participates. Participants are not required to contribute to the plan. During fiscal year 1999 the Council was required to and did contribute \$2,905 to the pension plan for its eligible employees. This contribution covered \$58,105 of payroll costs for eligible employees. Total payroll costs for all employees was \$75,222. The Council is the plan administrator but receives guidance from Mutual of America Life Insurance Company in handling this responsibility. Plan amendments can be made at the discretion of the Council's board of directors.

If a participant terminates his employment he will receive retirement income beginning at age 65 or earlier retirement date, if elected, based on the employer contributions made for him prior to his termination of employment, including any investment earnings on such contributions.

All contributions are presently being made to a general account comprised primarily of high yielding bonds. The principal is guaranteed and is credited with interest at a rate subject to review and change by Mutual of American Life Insurance Company, the investment company. Such contributions are currently earning interest at approximately 4.00%.

As an investment alternative, contributions could be made to a pooled common stock fund similar to a mutual fund. Any investments made to this fund will result in participants sharing in the investment income and realized and unrealized gains and losses of the fund and, for this reason, investment experience will make the value of their accounts go up or down.

Note 8 - Retirement Plan - (continued)

On December 27, 1988, the plan received its initial favorable determination letter from the Internal Revenue Service under Section 401(a) of the Internal Revenue Code. The Council's management amended the plan on October 6, 1997, to bring the plan into compliance with recent changes in the law. On January 12, 1998, the IRS issued a second favorable determination on the Council's plan, as amended.

Note 9 - Lease Commitments

The Council has no operating leases. However, during fiscal year 1996, the Council entered into a lease-purchase agreement for a new copy machine. Terms of this lease are as follows:

| <u>Monthly Payment</u> | <u>Number of months</u> | <u>Date Payment Began</u> | <u>Imputed Interest Rate</u> | <u>Purchase Option</u> |
|----------------------------|-----------------------------|-----------------------------------|--------------------------------------|----------------------------|
| \$66.53 | 36 | 02-23-96 | 10.73% | \$300 |

The lease was paid off and the purchase option elected in fiscal year 1999.

Note 10 - Changes in Long-Term Debt

The following is a summary of transactions relating to the Council's long-term debt during fiscal year 1999.

| | <u>Balance 07-01-98</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 06-30-99</u> |
|-----------------------------|-----------------------------|------------------|-------------------|-----------------------------|
| Capital lease obligation | \$ 750 ===== | \$ - ===== | \$ (750) ===== | \$ -0- ===== |

Note 11 - 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 12 - Judgements, Claims, and Similar Contingencies

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

Note 13 - Federal Award Programs

The Council participates in several 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 14 - Interfund Transfers

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

| <u>Transfers From</u> | <u>Transfers To These Programs</u> | | | | | <u>Total</u> |
|-------------------------------|------------------------------------|---------------------|---------------------|----------------|---------------------------|-----------------|
| | <u>General Funds</u> | <u>Title III-C1</u> | <u>Title III-C2</u> | <u>Audit</u> | <u>Utility Assistance</u> | |
| <u>General Fund:</u> | | | | | | |
| Local | \$ - | \$ - | \$ 6,985 | \$ - | \$ 3 | \$ 6,988 |
| PCOA | - | 8,954 | 9,835 | 2,990 | - | 21,779 |
| Total General Fund | - | 8,954 | 16,820 | 2,990 | 3 | 28,767 |
| <u>Special Revenue Funds:</u> | | | | | | |
| Title III B | 11,094 | - | - | - | - | 11,094 |
| Title III D | 473 | - | - | - | - | 473 |
| Title III F | 480 | - | - | - | - | 480 |
| Miscellaneous Grant | - | - | 4,500 | - | - | 4,500 |
| Senior Center | - | - | 18,530 | - | - | 18,530 |
| Total Special Revenue | 12,047 | - | 23,030 | - | - | 35,077 |
| Total transfers | \$12,047 | \$8,954 | \$39,850 | \$2,990 | \$ 3 | \$63,844 |

Note 15 - Interfund Loans

Because the Council operates most of its programs under actual cost and 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 | <u>\$ 4,485</u> | <u>\$ -</u> |
| Special Revenue Funds: | | |
| Title III B | - | 566 |
| Title III C-1 | - | 2,356 |
| Title III C-2 | - | 1,190 |
| Title III D | - | 367 |
| Title III F | - | 4 |
| Senior Center | <u>-</u> | <u>2</u> |
| Total Special Revenue Funds | <u>-</u> | <u>4,485</u> |
| Total all funds | <u>\$ 4,485</u> ===== | <u>\$ 4,485</u> ===== |

Note 16 - Economic Dependency

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs 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 17 - 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 18 - Prior Period Adjustment

During this year's audit it was discovered that a \$3,509 expense that was accrued as an expense last year should not have been accrued. Instead, the expense related to fiscal year 1999. Accordingly, a prior period adjustment has been made to increase the beginning of the year fund balance amount of the General Fund by \$3,509. The correction of the error did not affect amounts reimbursed to the Council by GOEA and CAAA for fiscal years 1998 or 1999. Also, there was no effect on net income in fiscal year 1999. However, the correction decreased expenses for fiscal year 1998 by \$3,509 and increased that year's net income by the same amount.

SUPPLEMENTARY FINANCIAL INFORMATION

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

**St. Helena Council on Aging, Inc.
Greensburg, Louisiana**

For the Year Ended June 30, 1999

| | Programs of the General Fund | | |
|---|------------------------------|---------------|------------------|
| | Local | PCOA | Total |
| REVENUES | | | |
| Intergovernmental: | | | |
| Office of Elderly Affairs | \$ 0 | \$ 21,779 | \$ 21,779 |
| St. Helena Parish Police Jury | 500 | 0 | 500 |
| Public support: | | | 0 |
| Restricted - DEMCO Foundation | 1,900 | 0 | 1,900 |
| Unrestricted | 725 | 0 | 725 |
| Interest income | 277 | 0 | 277 |
| Total revenues | 3,402 | 21,779 | 25,181 |
| EXPENDITURES | | | |
| Current: | | | |
| Salaries & Wages | 0 | 0 | 0 |
| Fringe | 0 | 0 | 0 |
| Travel | 294 | 0 | 294 |
| Operating Services | 0 | 0 | 0 |
| Operating Supplies | 4 | 0 | 4 |
| Other Costs | 301 | 0 | 301 |
| Meals | 0 | 0 | 0 |
| Capital Outlay | 1,865 | 0 | 1,865 |
| Debt Service: | | | |
| Principal Retirement | 750 | 0 | 750 |
| Interest | 36 | 0 | 36 |
| Total expenditures | 3,250 | 0 | 3,250 |
| Excess of revenues over(under) expenditures | 152 | 21,779 | 21,931 |
| OTHER FINANCING SOURCES | | | |
| Operating transfers in | 12,047 | 0 | 12,047 |
| Operating transfers out | (6,988) | (21,779) | (28,767) |
| Excess of revenues and other sources over(under) expenditures and other uses | 5,211 | 0 | 5,211 |
| FUND BALANCES(DEFICIT) | | | |
| Beginning of year, as restated | 12,685 | 0 | 12,685 |
| End of year | \$ 17,896 | \$ 0 | \$ 17,896 |

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

SPECIAL REVENUE FUNDS

St. Helena Council on Aging, Inc.
Greensburg, 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 | Utility Assistance | Audit | Miscellaneous Grant | Totals |
|--|----------------|------------------|------------------|----------------|----------------|------------------|-----------------------|------------|------------------------|----------------|
| \$ | 30,154 | 15,955 | 18,036 | 917 | 1,070 | 18,530 | 0 | 610 | 4,500 | \$ 89,772 |
| Capital Area Agency on Aging - District II, Inc. (CAAA) | 0 | 0 | 0 | 0 | 0 | 0 | 289 | 0 | 0 | 289 |
| Public Support: | 0 | 2,345 | 6,941 | 0 | 0 | 0 | 0 | 0 | 0 | 9,286 |
| LP&L Helping Hands (via LACOA) | 0 | 0 | 2,659 | 0 | 0 | 0 | 0 | 0 | 0 | 2,659 |
| Client contributions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 308 |
| St. Helena Parish Hospital Program Service Fees | 308 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 308 |
| Total revenues | 30,462 | 18,300 | 27,636 | 917 | 1,070 | 18,530 | 289 | 610 | 4,500 | 102,314 |

REVENUES

Intergovernmental:
Capital Area Agency on Aging -
District II, Inc. (CAAA)
Public Support:
LP&L Helping Hands (via LACOA)
Client contributions
St. Helena Parish Hospital
Program Service Fees

EXPENDITURES

| | | | | | | | | | | |
|---------------------------|---------------|---------------|---------------|------------|------------|----------|------------|--------------|----------|----------------|
| Current: | 13,560 | 20,219 | 40,804 | 181 | 458 | 0 | 0 | 0 | 0 | 75,222 |
| Salaries & Wages | 2,557 | 3,305 | 6,969 | 34 | 92 | 0 | 0 | 0 | 0 | 12,957 |
| Fringe | 366 | 248 | 14,977 | 3 | 4 | 0 | 0 | 0 | 0 | 15,598 |
| Travel | 866 | 2,503 | 3,606 | 20 | 26 | 0 | 0 | 0 | 0 | 7,021 |
| Operating Services | 1,732 | 890 | 910 | 205 | 8 | 0 | 0 | 0 | 0 | 3,745 |
| Operating Supplies | 287 | 89 | 220 | 1 | 2 | 0 | 3,600 | 0 | 0 | 4,199 |
| Other Costs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Meals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 | 0 | 361 | 0 | 0 | 361 |
| Utility Assistance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total expenditures | 19,368 | 27,254 | 67,486 | 444 | 590 | 0 | 361 | 3,600 | 0 | 119,103 |

OTHER FINANCING SOURCES (USES)

| | | | | | | | | | | |
|--|----------|---------|----------|-------|-------|----------|------|---------|---------|----------|
| Excess of revenues over (under) expenditures | 11,094 | (8,954) | (39,850) | 473 | 480 | 18,530 | (72) | (2,990) | 4,500 | (16,789) |
| Operating transfers in | 0 | 8,954 | 39,850 | 0 | 0 | 0 | 3 | 2,990 | 0 | 51,797 |
| Operating transfers out | (11,094) | 0 | 0 | (473) | (480) | (18,530) | 0 | 0 | (4,500) | (35,077) |

Excess of revenues and other sources over (under) expenditures and other uses

FUND BALANCE (DEFICIT)

| | | | | | | | | | | |
|-------------------|---|---|---|---|---|---|------|---|---|----|
| Beginning of year | 0 | 0 | 0 | 0 | 0 | 0 | (69) | 0 | 0 | 69 |
| End of year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1999

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|--|------------------|------------------|---|
| PCOA | | | |
| Transfers to other programs: | | | |
| Title III C-1 | \$ 0 | \$ 8,954 | \$ (8,954) |
| Title III C-2 | 21,737 | 9,835 | 11,902 |
| Title III B | 36 | 0 | 36 |
| Title III F | 6 | 0 | 6 |
| Audit | 0 | 2,990 | (2,990) |
| Totals | \$ 21,779 | \$ 21,779 | \$ 0 |
| TITLE III-B SUPPORTIVE SERVICES | | | |
| Salaries & Wages | \$ 29,210 | \$ 13,560 | \$ 15,650 |
| Fringe | 5,675 | 2,557 | 3,118 |
| Travel | 1,412 | 366 | 1,046 |
| Operating Services | 1,982 | 866 | 1,116 |
| Operating Supplies | 1,522 | 1,732 | (210) |
| Other Costs | 2,567 | 287 | 2,280 |
| Transfers to other the General Fund | 0 | 11,094 | (11,094) |
| Totals | \$ 42,368 | \$ 30,462 | \$ 11,906 |
| TITLE III C-1 | | | |
| Salaries & Wages | \$ 15,665 | \$ 20,219 | \$ (4,554) |
| Fringe | 2,776 | 3,305 | (529) |
| Travel | 114 | 248 | (134) |
| Operating Services | 989 | 2,503 | (1,514) |
| Operating Supplies | 660 | 890 | (230) |
| Other Costs | 932 | 89 | 843 |
| Totals | \$ 21,136 | \$ 27,254 | \$ (6,118) |
| TITLE III C-2 | | | |
| Salaries & Wages | \$ 28,637 | \$ 40,804 | \$ (12,167) |
| Fringe | 4,855 | 6,969 | (2,114) |
| Travel | 14,556 | 14,977 | (421) |
| Operating Services | 2,495 | 3,606 | (1,111) |
| Operating Supplies | 403 | 910 | (507) |
| Other Costs | 2,349 | 220 | 2,129 |
| Capital outlay | 746 | 0 | 746 |
| Transfers to Title III B | 136 | 0 | 136 |
| Totals | \$ 54,177 | \$ 67,486 | \$ (13,309) |

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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the year ended June 30, 1999

| | Budget | Actual | Variance- Favorable (Unfavorable) |
|-----------------------------------|------------------|------------------|---|
| TITLE III D | | | |
| Salaries & Wages | \$ 766 | \$ 181 | \$ 585 |
| Fringe | 47 | 34 | 13 |
| Travel | 4 | 3 | 1 |
| Operating Services | 53 | 20 | 33 |
| Operating Supplies | 203 | 205 | (2) |
| Other Costs | 50 | 1 | 49 |
| Transfers out to the General Fund | 0 | 473 | (473) |
| Totals | \$ 1,123 | \$ 917 | \$ 206 |
| TITLE III E | | | |
| Salaries & Wages | \$ 729 | \$ 458 | \$ 271 |
| Fringe | 142 | 92 | 50 |
| Travel | 4 | 4 | 0 |
| Operating Services | 45 | 26 | 19 |
| Operating Supplies | 113 | 8 | 105 |
| Other Costs | 43 | 2 | 41 |
| Transfers out to the General Fund | 0 | 480 | (480) |
| Totals | \$ 1,076 | \$ 1,070 | \$ 6 |
| SENIOR CENTER | | | |
| Operating services | \$ 2,242 | \$ 0 | \$ 2,242 |
| Operating supplies | 800 | 0 | 800 |
| Transfers out to other funds: | | | |
| Title III B | 11,602 | 0 | 11,602 |
| Title III C-1 | 3,081 | 0 | 3,081 |
| Title III C-2 | 805 | 18,530 | (17,725) |
| Totals | \$ 18,530 | \$ 18,530 | \$ 0 |
| AUDIT FUND | | | |
| Other Costs | \$ 610 | \$ 3,600 | \$ (2,990) |
| Totals | \$ 610 | \$ 3,600 | \$ (2,990) |
| MISCELLANEOUS GRANT | | | |
| Transfer to other programs: | | | |
| Title III B | \$ 117 | \$ 0 | \$ 117 |
| Title III C-2 | 4,177 | 4,500 | (323) |
| Title III D | 206 | 0 | 206 |
| Totals | \$ 4,500 | \$ 4,500 | \$ 0 |

Footnote - The PCOA funds were the only funds directly provided by GOEA.
The funds for the other programs were provided by GOEA indirectly through Capital Area Agency on Aging.

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

**St. Helena Council on Aging, Inc.
Greensburg, Louisiana**

For the year ended June 30, 1999

| | Balance June 30, 1998 | Additions | Deletions | Balance June 30, 1999 |
|--|-----------------------------|-----------------|-------------|-----------------------------|
| General fixed assets: | | | | |
| Office furniture and equipment | \$ 8,451 | \$ 1,865 | \$ 0 | \$ 10,316 |
| Nutrition equipment | 696 | 0 | 0 | 696 |
| Building improvements | 223 | 0 | 0 | 223 |
| Property leased under capital lease: | | | | |
| Office equipment | 2,340 | 0 | 0 | 2,340 |
| Total general fixed assets | \$ 11,710 | \$ 1,865 | \$ 0 | \$ 13,575 |
| Investment in general fixed assets: | | | | |
| Property acquired prior to 7/1/81** | \$ 3,165 | \$ 0 | \$ 0 | \$ 3,165 |
| Property acquired with funds from - | | | | |
| Title III-B | 359 | 0 | 0 | 359 |
| Title III C-1 | 215 | 0 | 0 | 215 |
| Title III C-2 | 1,058 | 0 | 0 | 1,058 |
| Title III D | 9 | 0 | 0 | 9 |
| Title III F | 2,054 | 0 | 0 | 2,054 |
| Senior Center | 187 | 0 | 0 | 187 |
| General funds and local donations | 4,663 | 1,865 | 0 | 6,528 |
| Total investments in general fixed assets | \$ 11,710 | \$ 1,865 | \$ 0 | \$ 13,575 |

** Records reflecting source from which assets were acquired were not maintained prior to 7/1/81.

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

St. Helena Council On Aging, Inc.
Greensburg, Louisiana

For the Year Ended June 30, 1999

Capital Area Agency on Aging - District II, Inc. (CAAA) is the regional area agency for St. Helena Council on Aging, Inc. 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 St. Helena Council on Aging, Inc.

DISCLOSURE ABOUT THE YEAR 2000 ISSUE

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

June 30, 1999

The Year 2000 issue arises because many computerized systems use 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

The Council's operations and accounting system are relatively simple due to the small size of the Council. The computer's hardware and software will be tested and verified to be Y2K compatible on or before October 31, 1999. Capital Area Agency on Aging is assisting the Council in this process.

**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 the computer system. The computer system will be tested and verified to be Y2K compatible on or before October 31, 1999. 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 become 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

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the Year Ended June 30, 1999

I have audited the financial statements of the St. Helena Council on Aging, Inc., Greensburg, Louisiana as of and for the year ended June 30, 1999, and have issued my report thereon dated August 24, 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 Yes No
Reportable Conditions Yes No

Compliance:

Compliance Material to Financial Statements Yes No

- 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: Yes No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

Section II - Financial Statement Findings

Reportable Condition:

#99-1 There is an Inadequate System Design for Appropriately Compiling and Allocating Indirect Costs

Condition: The accounting system should be designed and operated in a manner to compile and allocate indirect costs in accordance with applicable cost principles (i.e. OMB Circular A-87) and produce an equitable and consistent distribution of costs to all programs. The Council was allocating indirect costs on a transaction by transaction basis using budget estimates instead of actual results. I mentioned this in my management letter last year but it was not corrected. Accordingly, it is a repeat finding.

Criteria: The indirect cost allocation methodology used should be rational and systematic, it should result in an allocation of joint costs that is reasonable, and it should be applied consistently given similar facts and circumstances.

Effect: Improper cost allocation 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. Also, comparisons between budget and actual results may not be informative enough to allow management to control costs as planned. For example, before the audit adjustments were made, the actual costs for the Council's programs were within budgeted amounts. However, after the adjustments were posted, several budget overruns were noted.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - (continued)

Section II - Financial Statement Findings - (continued)

Cause: The chart of accounts was not properly designed to accommodate the use of an indirect cost pool. Further, the Council's bookkeeper did not understand how to design a worksheet to compile the indirect and direct costs to enable percentages to be computed and provide an efficient means to distribute the costs equitably to all programs.

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 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.

Recommendation: The Council should modify the chart of accounts to accommodate an indirect cost pool. Also, a worksheet should be designed and used as the tool to compile and calculate the allocation of indirect costs.

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.

SCHEDULE OF PRIOR YEAR FINDINGS

St. Helena Council on Aging, Inc.
Greensburg, 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 the Council's bookkeeper is responsible for (1) preparing some of the original source documents, (2) entering data from these source documents, and (3) reviewing the system output. Certain data is not reviewed by anyone other than the bookkeeper before or after it is processed. As a result, there exists a lack of segregation of duties.

Auditor's
Recommendation:

The auditor recommended that the Council's director become more educated and informed about the accounting process and how the computer works so that his review can be more effective in catching errors timely. The director should consider how he might reassign duties amongst the office employees to achieve more separation of duties and eliminate the bookkeeper's substantial control of certain accounting processes.

Status:

Changes were made in our accounting process to separate functions thereby eliminating the control weakness.

Section II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

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

SCHEDULE OF PRIOR YEAR FINDINGS - (continued)

Section III - Management Letter

Immaterial Weaknesses in Internal Control

IC-1: Annual and sick leave are not always approved and documented.

Status: Resolved. We have taken steps to better document annual and sick leave in all cases.

IC-2: Employee pay rates need documenting in their personnel files.

Status: Resolved. We have begun to perform this procedure.

Immaterial Instances of Noncompliance

NC-1: Costs are not being allocated in accordance with OMB Circular A-87.

Status: No change. The weakness was not fully corrected in the fiscal year. See current year finding 99-1 which has been presented as a reportable condition by the auditor.

Other Suggestions

SUG-1: The auditor recommended how to record certain transactions.

Status: Resolved. The recommended bookkeeping was followed.

SUG-2: The auditor suggested the Council budget its local activities and utility assistance program.

Status: Partially implemented. We budgeted some local activities but we did not budget for the utility assistance the program because it was immaterial.

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. Helena Council on Aging, Inc.
Greensburg, Louisiana

For the Year Ended June 30, 1999

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

99-1 There is an Inadequate System Design for Appropriately Compiling and Allocating Indirect Costs

Condition: The accounting system should be designed and operated in a manner to compile and allocate indirect costs in accordance with applicable cost principles and produce an equitable and consistent distribution of costs to all programs. The Council was allocating indirect costs on a transaction by transaction basis using budget estimates instead of actual results. The auditor mentioned this in his management letter last year but it was not corrected. Accordingly, it is a repeat finding.

Management's
Corrective
Action:

The auditor has been requested to design a worksheet that will compile cost data and calculate percentages to equitably distribute indirect costs to all programs. We have set up an indirect cost pool within our chart of accounts and quit allocating indirect costs on a transaction by transaction basis. The auditor will come to our office and train the Council's bookkeeper on how to properly account for the indirect costs.

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 hereabove. Accordingly, management's corrective action is also the same.

SECTION III - MANAGEMENT LETTER

No management letter was issued by the auditor this year.

If there are any questions regarding this plan, please call Reed Meadors, the Council's director, at (225) 222-6070.