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Financial Report
St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: ~~APR 24 1999~~

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St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

June 30, 1998

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors,
St. John Parish Council on Aging, Inc.
LaPlace, Louisiana.

I have audited the accompanying general-purpose financial statements of the St. John Parish Council on Aging, Inc., LaPlace, 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 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. John Parish Council on Aging, Inc., LaPlace, 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 October 27, 1998, on my consideration of the St. John Parish 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 of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana, taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents is presented for purposes of additional analysis and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Neil B. Ferrari, CPA

Baton Rouge, Louisiana,
October 27, 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,
St. John Parish Council on Aging, Inc.
LaPlace, Louisiana.

I have audited the general-purpose financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated October 27, 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 St. John Parish 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. John Parish 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 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. However, I noted other matters involving the internal control over financial reporting that I have reported to the board of directors of the St. John Parish Council on Aging, Inc. in a separate letter dated October 27, 1998.

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

Neil B. Fenari, CPA

Baton Rouge, Louisiana,
October 27, 1998.

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	General Fixed Assets	1998	1997
ASSETS AND OTHER DEBITS					
Assets:					
Cash	\$ 0	\$ 8,180	\$ 0	\$ 8,180	\$ 17,115
Property taxes receivable	85,832	0	0	85,832	24,614
Accounts receivable	10,824	0	0	10,824	6,487
Contributions receivable	1,250	335	0	1,585	0
Government grants receivable	0	4,125	0	4,125	17,739
Prepaid expenses	3,995	0	0	3,995	1,900
Due from General Fund	0	30,580	0	30,580	7,665
Deposit for workman's compensation insurance	892	0	0	892	892
Restricted assets:					
Cash	474	1,089	0	1,563	1,679
Vehicle purchase deposit	0	0	0	0	8,176
Fixed assets	0	0	234,389	234,389	198,466
Total assets	\$ 103,267	\$ 44,309	\$ 234,389	\$ 381,965	\$ 284,733
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 4,960	\$ 43,220	\$ 0	\$ 48,180	\$ 47,936
Payroll taxes payable	2,799	0	0	2,799	2,555
Due to Special Revenue Fund	30,580	0	0	30,580	7,665
Total liabilities	38,339	43,220	0	81,559	58,156
Fund Equity and Other Credits:					
Fund balances:					
Reserved for:					
Utility assistance	0	1,089	0	1,089	1,679
Prepaid insurance	3,995	0	0	3,995	1,900
Vehicle purchase	0	0	0	0	8,176
Police alert lights for the elderly	474	0	0	474	0
Unreserved - undesignated	60,459	0	0	60,459	16,356
Investment in general fixed assets	0	0	234,389	234,389	198,466
Total fund equity and other credits	64,928	1,089	234,389	300,406	226,577
Total liabilities, fund equity and other credits	\$ 103,267	\$ 44,309	\$ 234,389	\$ 381,965	\$ 284,733

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. John Parish Council on Aging, Inc.
LaPlace, Louisiana

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
REVENUES				
Property tax	\$ 170,275	\$ 0	\$ 170,275	\$ 126,391
Intergovernmental	11,779	196,049	207,828	184,936
Program service fees	70,324	0	70,324	25,302
Public support	6,503	33,806	40,309	32,104
Interest income	4,108	0	4,108	3,305
Miscellaneous	1,087	0	1,087	325
Total revenues	264,076	229,855	493,931	372,363
EXPENDITURES				
Current:				
Salaries	26,970	118,167	145,137	126,430
Fringe	2,183	9,532	11,715	9,950
Travel	632	7,315	7,947	7,297
Operating services	26,170	85,147	111,317	84,492
Operating supplies	6,177	18,869	25,046	22,012
Other costs	575	4,300	4,875	5,865
Meals	0	109,174	109,174	107,071
Capital outlay	16,845	19,078	35,923	5,031
Utility assistance	0	4,891	4,891	3,434
Total expenditures	79,552	376,473	456,025	371,582
<i>Excess of revenues over (under) expenditures</i>	184,524	(146,618)	37,906	781
OTHER FINANCING SOURCES (USES)				
Operating transfers in	0	181,941	181,941	173,986
Operating transfers out	(146,028)	(35,913)	(181,941)	(173,986)
<i>Excess of revenues and other sources over (under) expenditures and other uses</i>	38,496	(590)	37,906	781
FUND BALANCES				
Beginning of year	26,432	1,679	28,111	27,330
End of year	\$ 64,928	\$ 1,089	\$ 66,017	\$ 28,111

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. John Parish Council on Aging, Inc.
 LaPlace, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
	-----	-----	-----
REVENUES			

Property Tax	\$ 145,127	\$ 170,275	\$ 25,148
Intergovernmental	11,779	11,779	0
Program service fees	63,000	70,324	7,324
Public support	5,000	6,503	1,503
Interest income	3,300	4,108	808
Miscellaneous	0	1,087	1,087
	-----	-----	-----
Total revenues	228,206	264,076	35,870
	-----	-----	-----
EXPENDITURES			

Current:			
Salaries	16,390	26,970	(10,580)
Fringe	1,383	2,183	(800)
Travel	179	632	(453)
Operating services	16,895	26,170	(9,275)
Operating supplies	2,905	6,177	(3,272)
Other costs	254	575	(321)
Capital outlay		16,845	(16,845)
	-----	-----	-----
Total expenditures	38,006	79,552	(41,546)
	-----	-----	-----
Excess of revenues over(under) expenditures	190,200	184,524	(5,676)
	-----	-----	-----
OTHER FINANCING SOURCES (USES)			

Operating transfers in	0	0	0
Operating transfers out	(156,906)	(146,028)	10,878
	-----	-----	-----
Excess of revenues and other sources over(under) expenditures and other uses	33,294	38,496	\$ 5,202
	-----	-----	=====
FUND BALANCE			

Beginning of year	26,432	26,432	
	-----	-----	
End of year	\$ 59,726	\$ 64,928	
	-----	-----	

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. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
REVENUES			
Intergovernmental	\$ 200,245	\$ 196,049	\$ (4,196)
Public support	33,889	33,806	(83)
Total revenues	234,134	229,855	(4,279)
EXPENDITURES			
Current:			
Salaries	128,074	118,167	9,907
Fringe	10,696	9,532	1,164
Travel	6,446	7,315	(869)
Operating services	92,473	85,147	7,326
Operating supplies	18,402	18,869	(467)
Other costs	4,171	4,300	(129)
Meals	108,000	109,174	(1,174)
Capital outlay	19,078	19,078	0
Utility assistance	5,100	4,891	209
Total expenditures	392,440	376,473	15,967
Excess of revenues over(under) expenditures	(158,306)	(146,618)	11,688
OTHER FINANCING SOURCES (USES)			
Operating transfers in	197,015	181,941	(15,074)
Operating transfers out	(40,109)	(35,913)	4,196
Excess of revenues and other sources over(under) expenditures and other uses	(1,400)	(590)	\$ 810
FUND BALANCES			
Beginning of year	1,679	1,679	
End of year	\$ 279	\$ 1,089	

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

St. John Parish Council on Aging, Inc.
LaPlace, 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 St. John Parish 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.

The primary function of the St. John Parish 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, information and assistance services, legal assistance, homemaker services, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

The St. John Parish 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: - (continued)

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 the 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 spending activities are controlled. The various

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

c. Fund Accounting: - (continued)

funds are grouped in these financial statements into two generic fund types and one broad category (account group).

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

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

- General Fund

The General Fund is the general operating fund of the Council. It is used to account for all financial resources except those required to be accounted for in another fund. These funds are accounted for and reported according to the source (federal, state or local) from which they are derived.

The following programs comprise the Council's General Fund:

Local

Revenues, such as; proceeds of a property tax assessment by St. John the Baptist Parish, donations from the general public, allocations from the United Way, interest income earned on unrestricted fund balances, and net proceeds from the sale of fixed assets, are recorded in the local program of the General Fund. Most of these funds are not restricted to any special use and may be used at the Council's discretion. However, there are

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

c. Fund Accounting: - (continued)

• General Fund - (continued)

Local - (continued)

occasions when the Council will receive restricted donations which must be used for the purposes restricted by donor. Expenses which are not chargeable to specific programs because of budget limitations, or because of their nature, are recorded as local program expenditures.

PCOA

PCOA funds are appropriated for the Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (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. In fiscal year 1998, the Council transferred the PCOA funds to the Title IIIB fund to provide additional funds to pay for program costs.

Local Transportation

The Local Transportation program of the General Fund accounts for revenues earned from providing local transportation services and the expenses incurred to produce those revenues. The transportation services provided in this program differ from those provided in the Title IIIB Program in that participants in this program do not have to be at least 60 years old which is required of Title IIIB participants.

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. A large percentage 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 Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

The following funds 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 supportive services, such as; information and assistance, homemaker services, outreach services, legal services, senior center operation, and transportation for people age 60 or older.

Title III C - Area Agency Administration Fund

The Title III C Area Agency Administration Fund is used to account for some of the costs of administering the Special Programs for the Aging. These funds are allocated to help pay for the administrative costs associated with operating the Title III and Senior Center programs.

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 24,563 meals to people eligible to participate in this program.

Title III C-2 Fund

Title III C-2 Fund is used to account for funds which are used to provide nutritional meals to home-bound older persons. Using Title III C-2 funds the Council served 18,036 meals during the year to people eligible to participate in this program.

Title III D Fund

The Title III D Fund is used to account for funds which are used to provide in-home services to the frail 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."

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

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

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 Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis (about 56 cents/meal) 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.

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.

Audit Fund

The Audit Fund is used to account for funds received from the Louisiana 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.

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

c. Fund Accounting: - (continued)

• Special Revenue Funds - (continued)

Utility Assistance Fund

The Utility Assistance Fund is used to account for the administration of programs that are sponsored by local utility companies. The companies collect contributions from service customers and remit the funds to the Louisiana Association of Councils on Aging (LACOA) which in turn remits funds relating to St. John the Baptist Parish to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

Miscellaneous Grant Fund

The Louisiana Legislature appropriated some special funds for various councils on aging throughout the state for fiscal year 1998. St. John Parish Council on Aging, Inc. was one of the parish councils to receive a special grant of \$4,500. The Louisiana Governor's Office of Elderly Affairs provided these funds to the Council. The Council used these funds to supplement Senior Center operations this year.

FTA Fund

The FTA Fund is used to account for the acquisition of vehicles purchased in part with federal funds under various capital assistance programs. The Louisiana Department of Transportation and Development coordinates the receipt and disbursement of the FTA funds and the required matching funds from the Council. The Council acquired one vehicle under this program during the fiscal year.

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

d. Account Groups:

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

General Fixed Assets

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

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 follows these procedures in establishing the budgetary data reflected in Exhibits C and D of these financial statements.

- The Louisiana Governor's Office of Elderly Affairs "GOEA" 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.
- Projections are made of property tax revenues based on past trends and data available to form expectations of future revenues.
- The Council's executive director prepares a proposed budget based on the funding levels provided by GOEA and other agencies, as well as expected revenues from property tax revenues and public support, 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 the Governor's Office of Elderly Affairs for final approval before June 30.

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

g. Budget Policy: - (continued)

- Most budgetary appropriations, particularly those involving funds received from GOEA, lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There was one budget amendment during the fiscal year, which was approved by the board of directors on May 28, 1998. The budget amendment was approved by the Council's board of directors and by GOEA 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 approval from the Governor's Office of Elderly Affairs (GOEA) 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 line item 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.

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

g. Budget Policy: - (continued)

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

h. 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 grant agreements. The fund balances in the governmental fund types have been reserved for the prepaid expenses recorded in these funds to reflect the amount of fund balance not currently available for expenditure.

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.

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

j. 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.

k. 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. At June 30, 1998, there were not any designated funds.

l. Compensated Absences:

The Council's annual leave policy does not provide for the accumulation and vesting of annual leave. In other words, an employee must "use or lose" any earned annual leave during the fiscal year. The Council's sick leave policy allows an employee to accumulate up to 25 days over a three year period, but at termination there is no cash reimbursement for unused sick leave. As a result, the Council has not accrued any unpaid cost relating to unused leave in the financial statements.

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

m. Comparative Data:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements 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.

n. Related Party Transactions:

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

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 revenue in the period received.

Note 3- Property Tax Revenues and Receivable

During fiscal year 1995 the Council began receiving funds from a one mill property tax which was adopted by the voters of St. John the Baptist Parish. The property tax will be levied each year, beginning with calendar year 1994 and ending in calendar year 2003, by the St. John the Baptist Parish Council on November 15 based upon the assessed value (\$146,892,079, after homestead exemptions) on the previous January 1 of all real property owned within the Parish. The tax becomes due on November 15 and is considered delinquent if not paid by December 31. Most of the property tax revenues are collected during the months of December, January, and February. The St. John the Baptist Parish Council (parish council) acts as the collection agent for these taxes. At June 30, 1998, the Parish Council was holding \$113,042 of property tax revenues it had collected. The Council on Aging has accrued \$85,832 of this amount as revenue for fiscal year 1998 because this money was remitted to it within 60 days after June 30, 1998. However, \$27,210 was not accrued by the Council on Aging as revenues for fiscal year 1998 because of the Parish Council's rules restricting the availability of the money.

The Parish Council has established a separate bank account to help it account for the collection and disbursement of the property tax revenues for the Council on Aging. The Council on Aging has no control over this bank account; accordingly, it is not presented in these financial statements.

Note 3 - Property Tax Revenues and Receivable - (continued)

The Parish Council did not invest any amounts for the Council on Aging during the year. However, the Council received \$3,738 of interest income from the interest-bearing checking account in which the Parish keeps the property tax revenues until needed by the Council on Aging.

The property taxes are collected by the Parish's sheriff's office. Accordingly, there are expenses charged the Council on Aging by the sheriff's office for doing this. The amount charged for this fiscal year was \$5,579 which represents the Council on Aging's pro rata share of the pension expense of the sheriff's office. This type of charge is normal in Louisiana. No amount for this expenditure has been presented in the Council on Aging's financial statements because property tax revenue has been reported at a "net" amount instead of at a "gross" amount.

Note 4 - Cash

One of the Council's two checking accounts serves as a consolidated bank account. The consolidated bank account services as a means for paying all of the bills and depositing most of the money collected by the Council. This account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to temporarily cover any negative cash balances in other funds. The other checking account is used for payroll.

At June 30, 1998, the carrying amount of the Council's cash balances on the books was \$9,743 whereas the related bank balances were \$19,037. The difference in the carrying amount and bank balances for cash relates primarily to deposits made and checks written which did not clear the bank accounts by June 30, 1998. All bank balances were covered by federal depository insurance. Accordingly, the bank balances are classified as "Category 1" balances in accordance with GASB Statement 3.

Note 5 - Government Grants Receivable

Government grants receivable represent amounts owed to the Council under the terms of a grant award or contract with a provider of federal, state, or local funds; such amount being measurable and available as of year end. Government grants receivable at June 30, 1998, consisted of the following:

<u>Program</u>	<u>Provider</u>	<u>Fund</u>	<u>Amount</u>
U.S.D.A.	GOEA	Special Revenue	\$4,125 =====

Note 6 - Changes in Fixed Assets

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

	<u>Balance June 30, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
Vans	\$156,345	\$ 28,854	\$ -	\$185,199
Office furniture and equipment	30,026	-	-	30,026
Leasehold improvements	<u>12,095</u>	<u>7,069</u>	<u>-</u>	<u>19,164</u>
Total general fixed assets	\$198,466 =====	\$ 35,923 =====	\$ - =====	\$234,389 =====

Donated assets represent \$491 of the June 30, 1998, total for fixed assets.

Note 7 - Prepaid Insurance

The Council has elected not to expense amounts paid for future services until those services are consumed. As of June 30, 1998, there was \$3,995 of prepaid insurance premiums which relate to fiscal year 1999.

Note 8 - Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member. However, board members are reimbursed for out-of-town travel in accordance with the Council's regular personnel policy.

Note 9 - In-Kind Contributions

The Council received various in-kind contributions during the year. The senior center/meal site locations in LaPlace and Edgard were furnished by the St. John the Baptist Parish Council without charge for rent or insurance. The meal site at Place Dubourg was furnished by the Archdiocese of St. John Parish without charge for rent, insurance, and utilities. The St. John the Baptist Parish Sheriff's Department allows the Council to buy gas through it which costs less than retail and saves the Council about \$600 per month. Prisoner labor was used to make leasehold improvements at the Edgard Senior Center. Also, the workers who serve lunch at the LaPlace Senior Center volunteer their services. These contributions, the values of which were not objectively determined, have not been reported as revenues or offsetting expenses in these financial statements.

Note 10 - Income Tax Status

The Council, a non-profit corporation, is exempt from federal income taxation under Sections 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 11 - Judgments, Claims, and Similar Contingencies

There was one lawsuit pending against the Council as of June 30, 1998. However, it was settled after year end before the audit report was issued. The settlement was covered by the Council's insurance policy.

Management is unaware of any other lawsuits or contingencies, and believes that, if any exist, they would be adequately covered by insurance.

Note 12 - Federal Award Programs

The Council participates in a number of federal award programs. These programs are audited in accordance with the 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 as to materially affect the Council's financial position. Any costs that might be disallowed would be recognized in the period agreed upon by the agency and the Council.

Note 13 - 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 (GOEA). 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 14 - Interfund Loans

The Council uses a consolidated operating account to deposit revenue and pay expenditures. Using a consolidated bank account creates short-term interfund loans. A summary of these interfund loans at June 30, 1998, were as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ -	\$30,580
Special Revenue Funds	<u>30,580</u>	<u>-</u>
Total all funds	\$30,580 =====	\$30,580 =====

Note 15 - Interfund Transfers

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

	FUNDS TRANSFERRED FROM					
	GENERAL FUND		SPECIAL REVENUE FUNDS			
	LOCAL	PCOA	USDA	SENIOR CENTER	MISC. GRANT	TOTAL
Funds Transferred In:						
Special Revenue Funds:						
IIIB Services	\$ 96,723	\$11,779	\$ -	\$7,203	\$ -	\$115,705
Title C-1	15,144	-	-	-	-	15,144
Title C-2	11,915	-	24,210	-	-	36,125
Title III-D	1,212	-	-	-	-	1,212
Title III-F	137	-	-	-	-	137
Senior Center	1,035	-	-	-	4,500	5,535
Audit	4,836	-	-	-	-	4,836
Respite Care	3,247	-	-	-	-	3,247
Total Special Revenue Fund	\$134,249	\$11,779	\$24,210	\$7,203	\$4,500	\$181,941
	=====	=====	=====	=====	=====	=====

Note 16 - 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 17 - Purchase Commitment

During the last quarter of fiscal year 1998, the Council entered into an agreement with the Louisiana Department of Transportation and Development (DOTD) to purchase one new van. The Council is responsible for matching 20% of the purchase price of the van. On July 22, 1998, the Council had its bank issue an irrevocable letter of credit for \$8,800 which represents the Council's matching requirement.

SUPPLEMENTARY FINANCIAL INFORMATION

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

 GENERAL FUND

St. John Parish Council on Aging, Inc.
 LaPlace, Louisiana

For the year ended June 30, 1998

 Programs of the General Fund

	Local	PCOA	Transportation	Total
	-----	-----	-----	-----
REVENUES				

Property tax	\$ 170,275	\$ 0	\$ 0	\$ 170,275
Intergovernmental:				
Office of Elderly Affairs	0	11,779	0	11,779
Program Service Fees:				
Transportation -				
Project Independence	0	0	50,628	50,628
River Parishes Hospital	0	0	19,696	19,696
Public support:				
Unrestricted - United Way	5,000	0	0	5,000
Restricted	1,503	0	0	1,503
Interest income	4,108	0	0	4,108
Miscellaneous:				
Recreation	299	0	0	299
Senior Net	172	0	0	172
Craft sales	79	0	0	79
Other	537	0	0	537
	-----	-----	-----	-----
Total revenues	181,973	11,779	70,324	264,076
	-----	-----	-----	-----
EXPENDITURES				

Current:				
Salaries	410	0	26,560	26,970
Fringe	37	0	2,146	2,183
Travel	188	0	444	632
Operating services	1,555	0	24,615	26,170
Operating supplies	828	0	5,349	6,177
Other costs	191	0	384	575
Capital outlay	16,845	0	0	16,845
	-----	-----	-----	-----
Total expenditures	20,054	0	59,498	79,552
	-----	-----	-----	-----
Excess of revenues over(under) expenditures	161,919	11,779	10,826	184,524
	-----	-----	-----	-----
OTHER FINANCING SOURCES (USES)				

Operating transfers in	0	0	0	0
Operating transfers out	(123,423)	(11,779)	(10,826)	(146,028)
	-----	-----	-----	-----
Excess of revenues and other sources over(under) expenditures and other uses	38,496	0	0	38,496
	-----	-----	-----	-----
FUND BALANCES(DEFICIT)				

Beginning of year	26,432	0	0	26,432
	-----	-----	-----	-----
End of year	\$ 64,928	\$ 0	\$ 0	\$ 64,928
	=====	=====	=====	=====

COMBINING SCHEDULE OF PROGRAM REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the year ended June 30, 1998

Title III C

Title III B	Title III C					Title III F	USDA	Senior Center	Audit	Utility Assistance	Misc. Grant	F.T.A.	Respite Care	Totals
	AAA	C-1	C-2	D	F									
\$ 47,109	\$ 9,547	\$ 33,592	\$ 31,277	\$ 1,382	\$ 1,594	\$ 24,210	\$ 22,496	\$ 1,164	\$ 0	\$ 4,500	\$ 0	\$ 0	\$ 176,971	
0	0	0	0	0	0	0	0	0	0	0	19,078	0	19,078	
2,302	0	14,794	6,103	0	0	0	0	0	0	0	0	0	23,199	
0	0	0	0	0	0	0	0	0	0	0	0	6,306	6,306	
0	0	0	0	0	0	0	0	0	4,301	0	0	0	4,301	
49,411	9,547	48,386	37,380	1,382	1,594	24,210	22,496	1,164	4,301	4,500	19,078	6,306	229,855	

REVENUES

Intergovernmental:
Governor's Office of Elderly Affairs
Dept. of Transportation and Development
Public support:
Client contributions
Nalco Foundation
LA Association of Councils on Aging

Total revenues

EXPENDITURES

Current:

Salaries	77,233	3,797	0	10,135	335	237	0	19,236	0	0	0	7,194	118,167
Fringe	6,255	358	0	828	30	21	0	1,472	0	0	0	568	9,532
Travel	2,124	133	0	4,953	19	14	0	1	0	0	0	71	7,315
Operating services	60,534	4,817	0	9,818	2,136	278	0	115	6,000	0	0	1,449	85,147
Operating supplies	16,359	253	0	1,947	57	40	0	3	0	0	0	210	18,869
Other costs	2,611	189	0	180	17	1,241	0	1	0	0	0	61	4,300
Meals	0	0	0	45,644	0	0	0	0	0	0	0	0	109,174
Capital outlay	0	0	0	0	0	0	0	0	0	0	19,078	0	19,078
Utility assistance	0	0	0	0	0	0	0	0	4,891	0	0	0	4,891
Total expenditures	165,116	9,547	63,530	73,505	2,594	1,831	20,828	6,000	4,891	0	19,078	9,553	376,473

Excess of revenues over (under) expenditures

OTHER FINANCING SOURCES (USES)

Operating transfers in	115,705	0	15,144	36,125	1,212	137	0	5,535	0	0	0	3,247	181,941
Operating transfers out	0	0	0	0	0	0	(24,210)	(7,203)	0	(4,500)	0	0	(35,913)

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

FUND BALANCE (DEFICIT)

Beginning of year	0	0	0	0	0	0	0	0	(590)	0	0	0	1,679
End of year	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,089	\$ 0	\$ 0	\$ 0	\$ 1,089

SCHEDULE OF PROGRAM EXPENDITURES – BUDGET VERSUS ACTUAL

CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance— Favorable (Unfavorable)
PCOA			
Transfers to Title III B	\$ 11,779	\$ 11,779	\$ 0
Totals	\$ 11,779	\$ 11,779	\$ 0
TITLE III – B SUPPORTIVE SERVICES			
Salaries	\$ 56,396	\$ 77,233	\$ (20,837)
Fringe	4,803	6,255	(1,452)
Travel	2,124	2,124	0
Operating services	41,844	60,534	(18,690)
Operating supplies	10,792	16,359	(5,567)
Other costs	2,405	2,611	(206)
Totals	\$ 118,364	\$ 165,116	\$ (46,752)
TITLE III C – Area Agency Administration			
Salaries	\$ 3,797	\$ 3,797	\$ 0
Fringe	358	358	0
Travel	133	133	0
Operating services	4,817	4,817	0
Operating supplies	253	253	0
Other costs	189	189	0
Totals	\$ 9,547	\$ 9,547	\$ 0
TITLE III C – 1 SERVICES			
Meals:			
Raw food	\$ 27,569	\$ 35,831	\$ (8,262)
Labor and non – edibles	21,312	27,699	(6,387)
Totals	\$ 48,881	\$ 63,530	\$ (14,649)
TITLE III C – 2			
Salaries	\$ 42,074	\$ 10,135	\$ 31,939
Fringe	3,553	828	2,725
Travel	4,165	4,953	(788)
Operating services	41,664	9,818	31,846
Operating supplies	6,961	1,947	5,014
Other costs	662	180	482
Meals:			
Raw food	33,343	25,743	7,600
Labor and non – edibles	25,776	19,901	5,875
Totals	\$ 158,198	\$ 73,505	\$ 84,693

SCHEDULE OF PROGRAM EXPENDITURES -- BUDGET VERSUS ACTUAL

CONTRACTS AND GRANTS PROVIDED THROUGH THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the year ended June 30, 1998

	Budget	Actual	Variance-- Favorable (Unfavorable)
TITLE III D			
Salaries	\$ 410	\$ 335	\$ 75
Fringe	39	30	9
Travel	14	19	(5)
Operating services	2,546	2,136	410
Operating supplies	27	57	(30)
Other costs	21	17	4
Totals	\$ 3,057	\$ 2,594	\$ 463
TITLE III F			
Salaries	\$ 249	\$ 237	\$ 12
Fringe	24	21	3
Travel	9	14	(5)
Operating services	316	278	38
Operating supplies	367	40	327
Other costs	894	1,241	(347)
Totals	\$ 1,859	\$ 1,831	\$ 28
USDA			
Transfers to Title III C-1	\$ 79	\$ 0	\$ 79
Transfers to Title III C-2	28,327	24,210	4,117
Totals	\$ 28,406	\$ 24,210	\$ 4,196
SENIOR CENTER			
Salaries	\$ 19,129	\$ 19,236	\$ (107)
Fringe	1,459	1,472	(13)
Travel	1	1	0
Operating services	122	115	7
Operating supplies	2	3	(1)
Other costs	0	1	(1)
Transfers to Title III B	7,203	7,203	0
Totals	\$ 27,916	\$ 28,031	\$ (115)
AUDIT			
Operating services	\$ 1,164	\$ 6,000	\$ (4,836)
Totals	\$ 1,164	\$ 6,000	\$ (4,836)
MISCELLANEOUS GRANT			
Transfer out to Senior Center	\$ 4,500	\$ 4,500	\$ 0
Totals	\$ 4,500	\$ 4,500	\$ 0

SCHEDULE OF PRIORITY SERVICES –

 TITLE III, PART B – GRANT FOR SUPPORTIVE SERVICES

St. John Parish Council on Aging, Inc.
 LaPlace, Louisiana

For the year ended June 30, 1998

		Percent of GOEA Grant -----
Access(30%):		
Assisted transportation	\$ 0	
Case management	0	
Transportation	127,616	
Information and assistance	6,210	
Outreach	10,702	

Total access expenses	144,528	507.86%

In--Home(15%):		
Homemaker	11,026	
Chore	0	
Telephoning	0	
Visiting	0	
Adult daycare/health	0	
Personal Care	0	

Total in--home expenses	11,026	38.74%

Legal(5%):		
Legal assistance	1,510	5.31%

Non--priority services	8,052	

Total Title III B -- Supportive Services Expenditures	165,116	
Less: Participant contributions	(2,302)	
Other public support	0	
Transfers in	(115,705)	

Title III B -- Supportive Services Grant	47,109	
Less: Transfers of contract allotments	0	
State homemaker	0	
State transportation	(18,651)	

Original grant award net of additional state homemaker and transportation funds and transfers of contract allotments	\$ 28,458	
	=====	

COMPARATIVE SCHEDULE OF GENERAL FIXED ASSETS

AND CHANGES IN GENERAL FIXED ASSETS

St. John Parish Council on Aging, Inc.
 LaPlace, Louisiana

For the year ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
	-----	-----	-----	-----
General fixed assets:				
Vehicles	\$ 156,345	\$ 28,854	\$ 0	\$ 185,199
Office furniture and equipment	30,026	0	0	30,026
Leasehold improvements	12,095	7,069	0	19,164
	-----	-----	-----	-----
Total general fixed assets	\$ 198,466	\$ 35,923	\$ 0	\$ 234,389
	=====	=====	=====	=====
Investment in general fixed assets:				
Property acquired with funds from --				
FTA	\$ 111,899	\$ 19,078	\$ 0	\$ 130,977
General funds	71,665	16,845	0	88,510
Senior Center	12,250	0	0	12,250
Title III B	1,484	0	0	1,484
Title III C--1	264	0	0	264
Title III C--2	157	0	0	157
Title XX	747	0	0	747
	-----	-----	-----	-----
Total investments in general fixed assets	\$ 198,466	\$ 35,923	\$ 0	\$ 234,389
	=====	=====	=====	=====

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the Year Ended June 30, 1998

I have audited the financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 27, 1998. I conducted my audit in accordance with generally accepted auditing contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 1998 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	_X_	No
Reportable Conditions	___	Yes	_X_	No

Compliance:

Compliance Material to Financial Statements	___	Yes	_X_	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

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

This section is not applicable.

SCHEDULE OF PRIOR YEAR FINDINGS

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the Year Ended June 30, 1998

Section I - Internal Control and Compliance Material to the
Financial Statements

No findings were reported in the prior year.

Section II - Internal Control and Compliance Material to Federal
Awards

No findings were reported in the prior year.

Section III - Management Letter

Item#: IC-1

Description: The same person who makes the list of the money
that was received in the mail also prepared the
deposit slip. The auditor recommended that these
two functions be separated if possible.

Status: Resolved

Item: IC-2

Description: The auditor recommended adjustments to the formula
used to allocate indirect costs.

Status: Resolved

Item#: NC-1

Description: The auditor recommended that the Council be the
entity to directly disburse the property tax money
that relates specifically to the Council rather
than being reimbursed from an account administered
by the St. John Parish Council.

Status: Partially resolved, see current year management
letter item 98IC-2.

NEIL G. FERRARI

CERTIFIED PUBLIC ACCOUNTANT

14481 OLD HAMMOND HIGHWAY, SUITE 4
BATON ROUGE, LOUISIANA 70816

MEMBER OF THE
SOCIETY OF LOUISIANA CPAs

MEMBER OF THE
AMERICAN INSTITUTE OF CPAs

PHONE (504) 272-1177

MANAGEMENT LETTER

October 27, 1998

To the Board of Directors
St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

I have audited the general-purpose financial statements of the St. John Parish Council on Aging, Inc., LaPlace, Louisiana as of and for the year ended June 30, 1998, and have issued my report thereon dated October 27, 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.

As part of the my audit, I also issued a report dated October 27, 1998, on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Government Auditing Standards.

During the course of my audit, I became aware of the following matter involving an immaterial weakness in internal control.

98IC-1: The Formula Used To Allocate Transportation Costs Needs To Be Corrected

There was an error in calculating the percentages used to allocate transportation costs amongst Title III B transportation, local transportation and the delivery costs of Title III C-2 meals. This error occurred because of a miscommunication of facts between the Council and the outside accountant who prepares the Council's financial statements. The error resulted in an overstatement of costs allocated to Title III C-2 and an understatement of costs allocated to the Title IIIB transportation and local transportation programs. These errors were corrected during the audit. The corrections did not result in any amounts being due to GOEA for unspent grant funds or questioned costs. I will contact the Council's outside accountant and review with him the changes made to the cost allocation formula to prevent a recurrence of the allocation errors in fiscal year 1999.

98IC-2: The COA and Parish Council Need To Better Coordinate the Administration of Property Tax Revenues

Last year I recommended the Council on Aging (COA) be the entity to directly disburse property tax money because the property tax related specifically to the COA. This change in procedure would help prevent unauthorized disbursement of property tax revenues by the St. John the Baptist Parish Council. Also, efficiencies in administration could be achieved rather than continue duplication of effort.

Changes were made in the process following my recommendation and a \$5,000 unauthorized disbursement by the St. John the Baptist Parish Council was returned to the COA. However, in July, 1998, I noticed that the Parish transferred the entire balance of the Council's collected but unremitted property taxes from the COA's tax account to the Parish's consolidated account. This appears to have violated the agreement reached by the two entities following the recommendations I made in last year's audit.

I also noted that at June 30, 1998, the COA's general fund owed its special revenues funds \$30,580 for cash it had to use to pay bills while the COA was waiting on the Parish to remit property tax revenues it was holding for the COA. Therefore, I continue to recommend the COA be given the property tax revenues as they are collected to improve administration and cash flow for the COA. Management should meet with the Parish and resolve this matter. It should also find out what happened to the funds (approximately \$28,000) transferred to the Parish's consolidated account.

I recommend management address the foregoing issues as an improvement to operations and the administration of public programs. I am available to further explain the findings and suggestions. I can also help implement the recommendations at your request.

Sincerely,



Neil G. Ferrari
Certified Public Accountant

NGF/bac

MANAGEMENT'S CORRECTIVE ACTION PLAN

St. John Parish Council on Aging, Inc.
LaPlace, Louisiana

For the Year Ended June 30, 1998

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

There were no findings reported in this section.

Section II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

There were no findings reported in this section.

Section III - MANAGEMENT LETTER

98IC-1: There was an error in calculating the percentages used to allocate transportation costs amongst the Title III B transportation program, local transportation program, and the Title III C-2 program.

Management's Action: Our CPA and outside accountant will meet to review and correct the cost allocation formula.

98IC-2: The St. John the Baptist Parish Council and the COA are still having difficulty working out the procedures for collecting and remitting the COA's property tax revenues.

Management's Action: Our board will meet with the Parish Council to work out a better arrangement for administering the property tax revenues.

If you have any questions regarding this plan, please call Barbara Gralapp at (504) 652-3660.