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OUACHITA COUNCIL ON AGING, INC.

MONROE, LOUISIANA

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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.

FINANCIAL STATEMENTS
Release Date JAN 27 1999
June 30, 1998

Marsha O. Millican
Certified Public Accountant
Shreveport, Louisiana

OUACHITA COUNCIL ON AGING, INC.

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OUACHITA COUNCIL ON AGING INC.

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the accompanying general purpose financial statements of Ouachita Council on Aging, Inc., as of and for the year ended June 30, 1998. These general purpose financial statements are the responsibility of Ouachita Council on Aging, Inc., 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 Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and A-133 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 Ouachita Council on Aging, Inc. as of June 30, 1998, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 13, 1998 on my consideration of Ouachita Council on Aging, Inc.'s internal control structure and a report dated October 13, 1998 on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The statements and schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Ouachita Council on Aging, Inc. 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 presented in all material respects in relation the general purpose financial statements taken as a whole.

Masha D. Milica

Certified Public Accountant
October 13, 1998

OUACHITA COUNCIL ON AGING, INC.Combined Balance Sheet - All Fund Types and Account Group
June 30, 1998

	<u>Governmental</u> <u>Fund Types</u>		<u>Account Group</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>General</u>	<u>Special</u> <u>Revenue</u>	<u>General</u> <u>Fixed Assets</u>	
<u>ASSETS</u>				
Cash and cash equivalents	\$219,029	\$ 23,165	\$ -	\$ 242,194
Contracts receivable	18,288	6,896	-	25,184
Due from other funds	28,528	-	-	28,528
Prepaid expenses	1,900	-	-	1,900
General fixed assets	-	-	905,459	905,459
Total assets	<u>\$267,745</u>	<u>\$ 30,061</u>	<u>\$ 905,459</u>	<u>\$ 1,203,265</u>
<u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Accounts payable	\$ 39,162	\$ 711	\$ -	\$ 39,873
Payroll taxes payable	1,445	-	-	1,445
Due to other funds	-	28,528	-	28,528
Total liabilities	<u>40,607</u>	<u>29,239</u>	<u>-</u>	<u>69,846</u>
<u>FUND EQUITY:</u>				
Investments in general fixed assets	-	-	905,459	905,459
<u>Fund Balances:</u>				
Reserved for FEMA	-	328	-	328
Reserved for Utility Assistance	-	494	-	494
Reserved for Capital Additions	92,660	-	-	92,660
Unreserved - undesignated	134,478	-	-	134,478
Total fund equity	<u>227,138</u>	<u>822</u>	<u>905,459</u>	<u>1,133,419</u>
Total liabilities and fund equity	<u>\$267,745</u>	<u>\$ 30,061</u>	<u>\$ 905,459</u>	<u>\$ 1,203,265</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
All Governmental Fund Types
For the Year Ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
<u>REVENUES:</u>			
Intergovernmental	\$ 35,254	\$ 976,317	\$ 1,011,571
Public support	205,875	149,150	355,025
Program service fees	24,916	-	24,916
Miscellaneous	18,459	-	18,459
Interest	10,369	533	10,902
In-kind contributions	500,000	29,116	529,116
Total revenues	<u>794,873</u>	<u>1,155,116</u>	<u>1,949,989</u>
<u>EXPENDITURES:</u>			
Salaries	20,680	472,914	493,594
Fringe	1,673	48,128	49,801
Travel	919	44,856	45,775
Operating services	27,707	177,880	205,587
Operating supplies	54	34,857	34,911
Other costs	-	16,750	16,750
Meals	-	431,790	431,790
Capital outlay	502,600	-	502,600
Utility assistance	-	20,798	20,798
Grants to subrecipient	-	131,745	131,745
Total expenditures	<u>553,633</u>	<u>1,379,718</u>	<u>1,933,351</u>
Excess (deficiency) of revenues over expenditures	241,240	(224,602)	16,638
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	440,742	440,742
Operating transfers out	(219,755)	(220,987)	(440,742)
Excess (deficiency) of revenues and other sources over expenditures and other uses	21,485	(4,847)	16,638
<u>FUND BALANCE:</u>			
Beginning of year	205,653	5,669	211,322
End of year	<u>\$ 227,138</u>	<u>\$ 822</u>	<u>\$ 227,960</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual - General Fund
For the Year Ended June 30, 1998

	Variance Favorable (Unfavorable)	<u>Budget</u>	<u>Actual</u>
<u>REVENUES:</u>			
Intergovernmental	\$ -	\$ 35,254	\$ 35,254
Public support	(15,588)	221,463	205,875
Program service fees	24,916	-	24,916
Miscellaneous	18,459	-	18,459
Interest	10,369	-	10,369
In-kind contributions	-	<u>500,000</u>	<u>500,000</u>
 Total revenues	 <u>38,156</u>	 <u>756,717</u>	 <u>794,873</u>
<u>EXPENDITURES:</u>			
Salaries	820	21,500	20,680
Fringe	827	2,500	1,673
Travel	181	1,100	919
Operating services	(5,707)	22,000	27,707
Operating supplies	196	250	54
Other costs	-	-	-
Capital outlay	<u>900</u>	<u>503,500</u>	<u>502,600</u>
 Total expenditures	 <u>(2,783)</u>	 <u>550,850</u>	 <u>553,633</u>
 Excess (deficiency) of revenues over expenditures	 35,373	 205,867	 241,240
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	<u>(13,888)</u>	<u>(205,867)</u>	<u>(219,755)</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 21,485	 -	 21,485
<u>FUND BALANCE:</u>			
Beginning of year	<u>-</u>	<u>205,653</u>	<u>205,653</u>
End of year	<u>\$ 21,485</u>	<u>\$ 205,653</u>	<u>\$ 227,138</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures and Changes in Fund Balance -
 Budget (GAAP Basis) and Actual - Special Revenue Funds
For the Year Ended June 30, 1998

	Variance Favorable (Unfavorable)	Budget	Actual
<u>REVENUES:</u>			
Intergovernmental	\$ (23,183)	\$ 999,500	\$ 976,317
Public support	(18,590)	167,740	149,150
Interest	533	-	533
In-kind contributions	29,116	-	29,116
Total revenues	<u>(12,124)</u>	<u>1,167,240</u>	<u>1,155,116</u>
<u>EXPENDITURES:</u>			
Salaries	10,884	483,798	472,914
Fringe	3,716	51,844	48,128
Travel	1,671	46,527	44,856
Operating service	(18,910)	158,970	177,880
Operating supplies	(2,540)	32,317	34,857
Other costs	24,656	41,406	16,750
Meals	(27,790)	404,000	431,790
Utility assistance	1,702	22,500	20,798
Grants to subrecipient	-	131,745	131,745
Total expenditures	<u>(6,611)</u>	<u>1,373,107</u>	<u>1,379,718</u>
Excess (deficiency) of revenues over expenditures	(18,735)	(205,867)	(224,602)
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	5,234	435,508	440,742
Operating transfers out	<u>8,654</u>	<u>(229,641)</u>	<u>(220,987)</u>
Excess of revenues and other sources over expenditures and other uses	(4,847)	-	(4,847)
<u>FUND BALANCE:</u>			
Beginning of year	<u>-</u>	<u>5,669</u>	<u>5,669</u>
End of year	<u>\$ (4,847)</u>	<u>\$ 5,669</u>	<u>\$ 822</u>

The accompanying notes are an integral part of this statement.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Statement of Presentation

The accompanying financial statements conform to generally accepted accounting principles as applicable to governmental units.

B. Reporting Entity

In 1964, the State of Louisiana passed Act 456 which authorized the charter of voluntary councils on aging for the welfare of the aging people in their respective parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. Ouachita Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. The Council also receives revenues from other federal, state, and local government agencies which may impose certain restrictions upon how the Council can use the money that they have provided.

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

The primary function of Ouachita Council on Aging, Inc. is to improve the quality of life for the parish's 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 referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting:

The accounts of the Council are organized on the basis of funds, 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, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds presented in the financial statements in this report are as follows:

Governmental Fund Types

Governmental funds are those through which most governmental functions of the Council are financed. The acquisition, use, and balances of the Council's expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. 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 types of programs comprise the Council's General Fund:

Local

Local funds are received from various local sources; such funds not being restricted to any special use.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Types (Continued)

Local (Continued)

The Council's program participants also generate revenues through a variety of fund raising activities that are not sponsored by any particular grant award. Revenues and expenses relating to these activities are accounted for as part of the General Fund's local program.

PCOA (Act 735)

PCOA (Act 735) funds are appropriated for the Governor's Office of Elderly Affairs by the Louisiana Legislature for remittance to the Council on Aging. The Council may use these "Act 735" funds at its discretion.

Medicaid

This is a program where the Council completes enrollment application for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals. Any funds remaining after applying direct costs to operate the program are available for discretionary use by management.

The Council also acts as a coordinator of services for people who are home-bound and in need of services similar to those provided in a nursing home. Rather than have the person sent to a nursing home, the Council coordinates necessary services and is paid a fee by Medicaid for performing the case management function.

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

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adult Day Care

Adult Day Care provides direct care for five or more hours in a twenty-four hour week day to individuals who are physically and/or mentally impaired. The target group is those individuals who need direct professional medical supervision or personal care supervision. A requirement for program eligibility is that such individuals would require Intermediate Care or Skilled Nursing services were they not enrolled in an Adult Day Health Care Center.

Title III-C Area Agency Administration Fund

The Title III-C Area Agency Administration Fund is used to account for some of the administrative costs associated with operating the special programs for the aging.

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 "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.

Title III C-1 Congregate Meals Fund

Title III C-1 funds are provided by the United States Department of Health and Human Services to the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional congregate meals to the elderly in strategically located centers.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Title III C-2 Home Delivered Meals Fund

Title III C-2 funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. These funds are used to provide nutritional meals to home-bound older persons.

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of the Food Distribution Program fund provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis 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.

Title III-D Fund

The III-D Fund is used to account for funds which are used to provide in-home services to frail, older individuals, including in-home supportive services for older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain disorders, and to the families of such victims. Title III-D funds are provided by the United States Department of Health and Human Services through the Louisiana Governor's Office of Elderly Affairs, which in turn "passes through" the funds to the Council.

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 Ouachita Council on Aging, Inc. to the Council so that it can provide assistance to the elderly for the payment of their utility bills.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Audit Fund

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

Title III, Part F

The III, Part F fund is used to account for funds which are used for disease prevention and health promotion activities.

Supplemental Senior Center Fund

The Louisiana Legislature appropriated additional money for various councils on aging through the state to be used to supplement the primary state grant for senior centers. Ouachita Council on Aging, Inc. was one of the parish councils to receive a supplemental grant. These funds are "passed through" the Governor's Office of Elderly Affairs.

D. Account Group:

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 account group is not a "fund".

General Fixed Assets

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

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Basis of Accounting:

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. 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. All grant revenue is considered susceptible to accrual. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

F. Transfers:

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due from and due to accounts.

G. Budget Policy:

The Governor's Office of Elderly Affairs "GOEA" notifies the Council each year as to the funding levels for each program's grant award.

The Council may also obtain grants from agencies other than GOEA and the Council considers the potential revenues to be earned under those grants.

Projections are made of revenues from other sources based on past trends and data available to form expectations of future revenues.

The Executive Director prepares a proposed budget based on the expected funding levels and then submits the budget to the Board of Directors for approval. The budget is prepared on a basis consistent with generally accepted accounting principles.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Budget Policies: (Continued)

The Board of Directors reviews and adopts the budget before May 31 of the current year for the next year.

The adopted budget is forwarded to GOEA for final approval.

Actual amounts are compared to budgeted amounts periodically during the 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 grantor agency for funds received from that agency.

Budgeted amounts presented in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

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. Compensated Absence:

No liability is recorded for nonvesting accumulated rights to receive vacation or sick pay benefits.

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.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Reservation of Fund Balances:

The Council "reserves" portions of its fund balances that are legally restricted and are available only to meet future obligations.

K. Cash and Cash Equivalents:

The Council's policy is to include short-term interest bearing deposits with cash in the financial statements.

L. Investments:

Investments consist of certificates of deposit which are stated at cost, which approximates market.

M. Total Columns on Combined Statements - Overview:

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.

N. 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, results may differ from those estimates.

2. REVENUE RECOGNITION

Intergovernmental

Intergovernmental revenues are recorded in governmental funds as revenues in the accounting period when they become susceptible to accrual, that is, measurable and available. Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

2. REVENUE RECOGNITION (Continued)

Program Service Fees

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

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. In addition, various fund raisers are held during the year to obtain funds to offset costs of general operations and senior activities. 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.

3. BOARD OF DIRECTORS COMPENSATION

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

4. IN-KIND CONTRIBUTIONS

The Council received \$ 529,116 of in-kind contributions that have been valued at their estimated fair market value and recorded in the accounting records of the Council.

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

St Francis Medical Center and Glenwood Regional Medical Center donated a total of 17,331 meals to the Council for delivery to home bound elderly.	\$ 29,116
On November 14, 1997, the Carolyn Rose Strauss Rehabilitation Center donated the land and building occupied by the Council at 1209 Oliver Road, Monroe, Louisiana to the Council.	<u>500,000</u>
Total recorded in-kind contributions	<u>\$ 529,116</u>

The Council received additional support through services contributed by volunteers that does not meet the criteria for recognition in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset.

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

Year Ended June 30, 1998

5. CONTRACTS RECEIVABLE

Contracts receivable at June 30, 1998, are as follows:

USDA	\$ 18,918
Adult Day Care	<u>6,896</u>
Total	<u>\$ 25,814</u>

All contracts receivable are fully collectible at June 30, 1998.

6. CHANGES IN FIXED ASSETS

A summary of general fixed assets account group is as follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1998</u>
Vans	\$ 239,989	\$ -	\$ -	\$ 239,989
Leasehold Improvements	60,496	-	-	60,496
Furniture and Equipment	102,374	2,600	-	104,974
Building	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Totals	<u>\$ 402,859</u>	<u>\$ 502,600</u>	<u>\$ -</u>	<u>\$ 905,459</u>

7. INCOME TAX STATUS

Ouachita Council on Aging, Inc. is an organization exempt from tax under Internal Revenue Code Section 501(c)(3). Accordingly, the financial statements contain no provision for income taxes.

8. ECONOMIC DEPENDENCY

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

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

9. INTERFUND TRANSFERS

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

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund	\$ -	\$ 219,755
Special Revenue Funds:		
Title III C-1	42,587	-
Title III C-2	175,939	-
Title III B Supportive Services	120,822	-
Title III D In Home Services	2,684	-
Senior Center	89,100	-
Adult Day Care	9,610	-
USDA	-	117,787
Supple. Senior Center	-	103,200
Total - Special Revenue Funds	<u>440,742</u>	<u>220,987</u>
Total - All Funds	<u>\$ 440,742</u>	<u>\$ 440,742</u>

Operating transfers out by fund are as follows:

General Fund

Adult Day Care	\$ 9,610
Title III C-2	100,739
Title III B Supportive Services	<u>109,406</u>
Total transfers out - General Fund	<u>\$ 219,755</u>

USDA

Title III C-1	\$ 42,587
Title III C-2	<u>75,200</u>
Total transfers out - USDA	<u>\$ 117,787</u>

Supple. Senior Center

Senior Center	\$ 89,100
Title III D	2,684
Title III B Supportive Services	<u>11,416</u>

 Total transfers out - Supple. Senior Center \$ 103,200

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 1998

10. DUE TO/FROM OTHER FUNDS

Due to/from other funds at June 30, 1998, consisted of the following:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 28,528	\$ -
Adult Day Care	-	<u>28,528</u>
Total - All Funds	<u>\$ 28,528</u>	<u>\$ 28,528</u>

11. DEPOSITS WITH FINANCIAL INSTITUTIONS

At June 30, 1998, the carrying amount of the Council's deposits was \$242,094 and the bank's balance was \$312,305. The difference is due to outstanding checks at June 30, 1998. Deposits totaling \$248,164 are collateralized by federal deposit insurance of \$248,164 and deposits of \$64,141 are collateralized by securities held by the depository bank in the Council's name. State statutes authorize the Council to invest in United States bonds, treasury notes, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal office in the State of Louisiana. The Council's primary purpose for investing is to earn interest income on money that has been determined to be in excess of immediate cash requirements.

The Council's deposits are categorized below to give an indication of the level of risk assumed by the Council at year end.

	<u>Bank Balance</u>
Category 1 Deposits insured or collateralized with securities held by the Council or by its agent in the Council's name.	\$ -
Category 2 Deposits collateralized with securities held by the pledging financial institution or agent in the Council's name.	64,141
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department, or agent, but not in the Council's name.	-
Total	<u>\$ 64,141</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Notes to Financial Statements

Year Ended June 30, 1998

12. RISK MANAGEMENT

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

OUACHITA COUNCIL ON AGING, INC.Statement of Program Revenues, Expenditures and Changes in Fund
Balance

General Fund

For the Year Ended June 30, 1998

	<u>Local</u>	<u>PCOA (ACT 735)</u>	<u>Totals</u>
<u>REVENUES</u>			
Intergovernmental:			
Office of Elderly Affairs	\$ -	\$ 25,599	\$ 25,599
Ouachita Council on Govt.	9,655	-	9,655
Public support:			
Unrestricted	161,271	-	161,271
Restricted	44,604	-	44,604
Program Service Fees	24,916	-	24,916
Miscellaneous	18,459	-	18,459
Interest	10,369	-	10,369
In-kind Contributions	<u>500,000</u>	<u>-</u>	<u>500,000</u>
 Total Revenues	 <u>769,274</u>	 <u>25,599</u>	 <u>794,873</u>
<u>EXPENDITURES</u>			
Salaries	20,680	-	20,680
Fringe	1,673	-	1,673
Travel	919	-	919
Operating services	27,707	-	27,707
Operating supplies	54	-	54
Other costs	-	-	-
Capital outlay	<u>502,600</u>	<u>-</u>	<u>502,600</u>
 Total expenditures	 <u>553,633</u>	 <u>-</u>	 <u>553,633</u>
 Excess of revenues over expenditures	 215,641	 25,599	 241,240
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	-	-	-
Operating transfers out	<u>(194,156)</u>	<u>(25,599)</u>	<u>(219,755)</u>
 Excess of revenues and other sources over expenditures and other uses	 21,485	 -	 21,485
 Beginning of year (deficit)	 <u>205,653</u>	 <u>-</u>	 <u>205,653</u>
 End of year (deficit)	 <u>\$ 227,138</u>	 <u>\$ -</u>	 <u>\$ 227,138</u>

Schedule 2

Title III F	Senior Center	USDA	FEMA	Title XIX Adult Day Care	Utility Assistance Fund	Supple. Senior Center	Audit	Totals
\$ 7,011	\$ 90,452	\$117,787	\$ -	\$ -	\$ -	\$ 103,200	\$ 5,085	\$ 889,570
-	-	-	6,651	-	-	-	-	6,651
-	-	-	-	72,030	-	-	-	72,030
-	-	-	-	8,066	-	-	-	8,066
-	-	-	-	-	21,000	-	-	21,000
-	-	-	-	-	-	-	-	128,150
-	-	-	-	-	-	-	-	29,116
-	-	-	-	533	-	-	-	533
<u>7,011</u>	<u>90,452</u>	<u>117,787</u>	<u>6,651</u>	<u>80,629</u>	<u>21,000</u>	<u>103,200</u>	<u>5,085</u>	<u>1,155,116</u>
3,950	25,692	-	-	49,384	-	-	-	472,914
317	2,030	-	-	4,973	-	-	-	48,128
-	530	-	-	1,256	-	-	-	44,856
-	16,106	-	7,019	30,969	-	-	5,085	177,880
-	3,449	-	-	1,307	-	-	-	34,857
2,744	-	-	-	-	-	-	-	16,750
-	-	-	-	7,031	-	-	-	431,790
-	-	-	-	-	20,798	-	-	20,798
-	131,745	-	-	-	-	-	-	131,745
<u>7,011</u>	<u>179,552</u>	<u>-</u>	<u>7,019</u>	<u>94,920</u>	<u>20,798</u>	<u>-</u>	<u>5,085</u>	<u>1,379,718</u>
-	(89,100)	117,787	(368)	(14,291)	202	103,200	-	(224,602)
-	89,100	-	-	9,610	-	-	-	440,742
-	-	(117,787)	-	-	-	(103,200)	-	(220,987)
-	-	-	(368)	(4,681)	202	-	-	(4,847)
-	-	-	696	4,681	292	-	-	5,669
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328</u>	<u>\$ -</u>	<u>\$ 494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 822</u>

OUACHITA COUNCIL ON AGING, INC.Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>LOCAL</u>			
Salaries	\$ 21,500	\$ 20,680	\$ 820
Fringe	2,500	1,673	827
Travel	1,100	919	181
Operating services	22,000	27,707	(5,707)
Operating supplies	250	54	196
Other costs	-	-	-
Capital outlay	503,500	502,600	900
Transfers to other funds:			
Audit Fund	2,415	-	2,415
Adult Day Care	-	9,610	(9,610)
Title III C-2	101,725	100,739	986
Title III B Supportive Services	<u>76,128</u>	<u>83,807</u>	<u>(7,679)</u>
Totals	<u>\$ 731,118</u>	<u>\$ 747,789</u>	<u>\$ (16,671)</u>
<u>PCOA (ACT 735)</u>			
Salaries	-	-	-
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Title III B Supportive Services	<u>25,599</u>	<u>25,599</u>	<u>-</u>
Totals	<u>\$ 25,599</u>	<u>\$ 25,599</u>	<u>\$ -</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TITLE III C-1</u>			
Salaries	\$ 83,207	\$ 81,470	\$ 1,737
Fringe	8,878	8,181	697
Meals:			
Raw food	102,522	106,505	(3,983)
Non-edibles	77,341	79,293	(1,952)
Travel	765	337	428
Operating services	10,906	10,128	778
Operating supplies	1,985	2,458	(473)
Other costs	-	-	-
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 285,604</u>	<u>\$ 288,372</u>	<u>\$ (2,768)</u>
 <u>SENIOR CENTER</u>			
Salaries	\$ 23,990	\$ 25,692	\$(1,702)
Fringe	2,700	2,030	670
Meals	-	-	-
Travel	500	530	(30)
Operating services	17,500	16,106	1,394
Operating supplies	3,117	3,449	(332)
Other costs	-	-	-
Grants to subrecipient	131,745	131,745	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 179,552</u>	<u>\$ 179,552</u>	<u>\$ -</u>
 <u>Title III C-2</u>			
Salaries	\$ 126,273	\$ 110,447	\$ 15,826
Fringe	13,471	11,951	1,520
Meals:			
Raw food	121,037	134,157	(13,120)
Non-edibles	95,100	104,804	(9,704)
Travel	32,713	33,105	(392)
Operating service	10,202	8,722	1,480
Operating supplies	3,137	3,957	(820)
Other costs	-	-	-
Capital outlay	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 401,933</u>	<u>\$ 407,143</u>	<u>\$ 5,210</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>TITLE III-D</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Travel	-	-	-
Operating services	8,900	8,400	500
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 8,900</u>	<u>\$ 8,400</u>	<u>\$ (500)</u>
<u>TITLE III-B OMBUDSMAN</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Travel	3,702	3,702	-
Operating services	500	500	-
Operating supplies	-	-	-
Other costs	7,256	7,256	-
Capital outlay	-	-	-
Totals	<u>\$ 11,458</u>	<u>\$ 11,458</u>	<u>\$ -</u>
<u>TITLE III-A ADMINISTRATION</u>			
Salaries	\$ 23,061	\$ 23,061	\$ -
Fringe	2,456	1,862	594
Travel	1,166	1,165	1
Operating service	9,796	10,323	(527)
Operating supplies	3,013	3,081	(68)
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 39,492</u>	<u>\$ 39,492</u>	<u>\$ -</u>
<u>TITLE III-B SUPPORTIVE SERVICE</u>			
Salaries	\$ 175,039	\$ 178,910	\$ (3,871)
Fringe	18,674	18,814	(140)
Meals	-	-	-
Travel	5,981	4,761	1,220
Operating services	70,570	80,628	(10,058)
Operating supplies	17,865	20,605	(2,740)
Other costs	19,750	6,750	13,000
Capital outlay	-	-	-
Totals	<u>\$ 307,879</u>	<u>\$ 310,468</u>	<u>\$ 2,589</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.

Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>TITLE III-F</u>			
Salaries	\$ 3,950	\$ 3,950	\$ -
Fringe	365	317	48
Meals	-	-	-
Travel	-	-	-
Operating services	2,696	2,744	(48)
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 7,011</u>	<u>\$ 7,011</u>	<u>\$ -</u>
<u>ADULT DAY CARE</u>			
Salaries	\$ 48,278	\$ 49,384	\$(1,106)
Fringe	5,300	4,973	327
Meals	8,000	7,031	969
Travel	1,700	1,256	444
Operating services	14,500	30,969	(16,469)
Operating supplies	3,200	1,307	1,893
Other costs	14,400	-	14,400
Capital outlay	-	-	-
Transfers to other funds:			
Title III C-2	-	-	-
Totals	<u>\$ 95,378</u>	<u>\$ 94,920</u>	<u>\$ 458</u>
<u>FEMA</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	5,900	7,019	1,119
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Transfers to other funds:			
Senior Center	-	-	-
C-1	-	-	-
Totals	<u>\$ 5,900</u>	<u>\$ 7,019</u>	<u>\$ 1,119</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.Schedule of Expenditures - Budget (GAAP Basis) and Actual -
General and Special Revenue Funds
For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Expenditures</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>UTILITY ASSISTANCE</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Other costs	-	-	-
Capital outlay	-	-	-
Utility assistance	22,500	20,798	1,702
Totals	<u>\$ 22,500</u>	<u>\$ 20,798</u>	<u>\$ 1,702</u>
<u>AUDIT</u>			
Salaries	\$ -	\$ -	\$ -
Fringes	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	7,500	5,085	2,415
Operating supplies	-	-	-
Capital outlay	-	-	-
Totals	<u>\$ 7,500</u>	<u>\$ 5,085</u>	<u>\$ 2,415</u>
<u>USDA</u>			
Transfer to Title III C-1	\$ 43,941	\$ 42,587	\$ 1,354
Transfers to Title III C-2	82,500	75,200	7,300
Totals	<u>\$ 126,441</u>	<u>\$ 117,787</u>	<u>\$ 8,654</u>
<u>SUPPLE. SENIOR CENTER</u>			
Salaries	\$ -	\$ -	\$ -
Fringe	-	-	-
Meals	-	-	-
Travel	-	-	-
Operating services	-	-	-
Operating supplies	-	-	-
Capital outlay	-	-	-
Grants to subrecipient	-	-	-
Transfer to Other Funds:			
Senior Center	89,100	89,100	-
Title III D	3,184	2,684	500
Title III B	10,916	11,416	(500)
Totals	<u>\$ 103,200</u>	<u>\$ 103,200</u>	<u>\$ -</u>

(Continued)

OUACHITA COUNCIL ON AGING, INC.Schedule of Priority Services -
Title III, Part B, Grant for Supportive ServicesFor the Year Ended June 30, 1998

Access (30%):	Case Management	\$ 5,493	
	Transportation	193,821	
	Information & Assistance	5,493	
	Outreach	<u>12,466</u>	
	Total access expenses		217,273 <u>184.56%</u>
In-Home (15%):	Homemaker	64,571	
	Telephoning	<u>1,428</u>	
	Total in-home expenses		65,999 <u>56.06%</u>
Legal (5%):	Legal assistance		6,750 <u>5.73%</u>
Non-priority services			<u>20,446</u>
Total Title III-B Supportive service expenditures			310,468
Less: Participant contributions		(60,959)	
Transfers in		<u>(120,822)</u>	
Title IIIB - Supportive services grant			128,687
Less: State homemaker		<u>(10,966)</u>	
Original grant award net of additional state homemaker funds			<u>\$ 117,721</u>

OUACHITA COUNCIL ON AGING, INC.Statement of General Fixed Assets
and Changes in General Fixed Assets
For the Year Ended June 30, 1998

	Balance June 30, 1997	Additions	Deletions	Balance June 30, 1998
General Fixed Assets, at cost:				
Vans	\$ 239,989	\$ -	\$ -	\$ 239,989
Furniture and equipment	102,374	2,600	-	104,974
Leasehold Improvements	60,496	-	-	60,496
Building	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total	<u>\$ 402,859</u>	<u>\$ 502,600</u>	<u>\$ -</u>	<u>\$ 905,459</u>
Investment in General Fixed Assets:				
Property with no reflection of source and general fund acquisitions	\$ 225,646	\$ -	\$ -	\$ 225,646
Local	8,175	502,600	-	510,775
UMTA	<u>169,038</u>	<u>-</u>	<u>-</u>	<u>169,038</u>
Total	<u>\$ 402,859</u>	<u>\$ 502,600</u>	<u>\$ -</u>	<u>\$ 905,459</u>

OUACHITA COUNCIL ON AGING, INC.Schedule of Federal Awards
For the Year Ended June 30, 1998

<u>FEDERAL GRANTOR/ PROGRAM TITLE *</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>U.S. Department of Health and Human Services</u>				
<u>Administration on Aging</u>				
Passed through the Louisiana Governor's Office of Elderly Affairs Special programs for the aging:				
Title III, Part B - Grant for Supportive Services and Senior Centers	93.044	\$100,063	\$ 100,063	\$ 100,063
Title III, Part B - Ombudsman	93.044	9,923	9,923	9,923
Subtotal CFDA# 93.044		<u>109,986</u>	<u>109,986</u>	<u>109,986</u>
Title III, Part C-Area Agency Administration	93.045	29,619	29,619	29,619
Title C-1-Nutrition Services Congregate Meals	93.045	102,364	102,364	102,364
Title C-2-Nutrition Services Home Delivered Meals	93.045	53,328	53,328	53,328
Subtotal CFDA# 93.045		<u>185,311</u>	<u>185,311</u>	<u>185,311</u>
Title III, Part D-In Home Services for Frail Older Individuals	93.046	4,859	4,859	4,859
Title III, Part F-Disease and Health Promotion Services	93.043	5,959	5,959	5,959
Total for U.S. Department of Health and Human Services		<u>306,115</u>	<u>306,115</u>	<u>306,115</u>
<u>Federal Emergency Management Agency</u>				
Passed through American Red Cross Emergency Food and Shelter Program				
	83.523	6,651	6,651	6,651
<u>U.S. Department of Agriculture</u>				
Passed through the Louisiana Department of Education Adult Day Care Nutrition				
	10.558	8,066	8,066	8,066
Passed through the Louisiana Governor's Office of Elderly Affairs:				
USDA - cash in lieu of commodities	10.570	145,977	117,787	117,787
Total for U.S Department of Agriculture		<u>154,043</u>	<u>125,853</u>	<u>125,853</u>
<u>U.S. Department of Health & Hospitals</u>				
Title XIX, Adult Day Care	93.778	72,030	72,030	72,030
Total - All Federal Awards		<u>\$538,839</u>	<u>\$510,649</u>	<u>\$510,649</u>

OUACHITA COUNCIL ON AGING, INC.

Notes to the Schedule of Federal Awards

June 30, 1998

1. General:

The accompanying Schedule of Federal Awards presents the activity of all federal award programs of Ouachita Council on Aging, Inc.

2. Basis of Accounting:

The accompanying Schedule of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the general purpose financial statements.

3. Relationship to General Purpose Financial Statements:

Federal Award revenues are reported in the general purpose financial statements as follows:

	<u>Intergovernmental Revenue</u>
Federal Financial Awards	\$ 510,649
State Financial Awards	<u>500,922</u>
Total Intergovernmental Awards	<u>\$ 1,011,571</u>

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

I have audited the financial statements of Ouachita Council on Aging, Inc. as of and for the year ended June 30, 1998, and have issued my report thereon dated October 13, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

Compliance

As part of obtaining reasonable assurance about whether Ouachita Council on Aging, Inc.'s 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 instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Ouachita 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 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.

This report is intended for the information of management, the Board of Directors and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.

Maisha D. Milliken

Certified Public Accountant
October 13, 1998

OUACHITA COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 1998

<u>Finding/Noncompliance</u>	<u>Questioned Costs</u>
Criteria: The annual cost report for Adult Day Care is required to be filed within 90 days of the Council's year end. The cost report for the year ended June 30, 1997 was not filed on a timely basis.	-0-
Cause: The annual cost report was transmitted by mail on a timely basis.	
Recommendation: The annual cost report for Adult Day Care should be transmitted by certified mail within 90 days of the Council's year end.	
Management's Response: We will transmit the annual cost report by certified mail on or before the due date in the future.	

OUACHITA COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings

For the Year Ended June 30, 1998

There were no findings in the prior year.

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

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

Board of Directors
Ouachita Council on Aging, Inc.
Monroe, Louisiana

Compliance

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

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

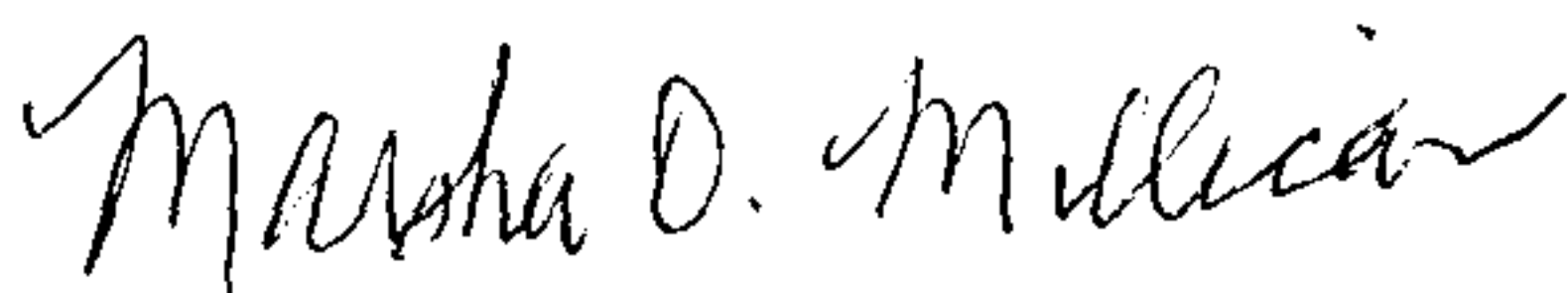
In my opinion, Ouachita Council on Aging, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Internal Control Over Compliance

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

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

This report is intended for the information of management the Board of Directors, and applicable federal and state cognizant agencies. However, this report is a matter of public record and its distribution is not limited.



Certified Public Accountant
October 13, 1998