

9211 11-4 71 0 59

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

**LOUISIANA ASSOCIATION
OF COUNCILS ON AGING, INC.**
ANNUAL FINANCIAL REPORT
JUNE 30, 1999

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

Nov 24 1999

Release Date _____

Louisiana Association of Councils on Aging, Inc.

T A B L E O F C O N T E N T S

	<u>Exhibit</u>	<u>Page</u>
Independent Auditors' Report on the Financial Statements	---	1-2
<u>General Purpose Financial Statements (Combined Statements - Overview)</u>		
Combined Balance Sheet-All Fund Types and Account Group	A	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-All Governmental Fund Types	B	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (GAAP Basis) and Actual-General Fund Types	C	6
Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (GAAP Basis) and Actual-Special Revenue Funds	D	7
Notes to the Financial Statements	---	9-15
<u>Schedules and Other Information</u>		
<u>Combining Schedules</u>		
Combining Balance Sheet-General Fund Types	E-1	18
Combining Schedule of Program Revenues, Expenditures and Changes in Fund Balances-General Funds	E-2	19
Combining Balance Sheet-Special Revenue Funds	E-3	20
Combining Schedule of Program Revenues, Expenditures and Changes in Fund Balances-Special Revenue Funds	E-4	21

	<u>Exhibit</u>	<u>Page</u>
<u>Individual Fund Information</u>		
Schedule of Expenditures-Budget and Actual	F	23-24
Exit Conference Information	G	25
<u>Internal Control and Compliance</u>		
Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	H	27-28
Schedule of Findings and Questioned Costs	I	29
Summary of Prior Year's Findings	J	30

Johnson, Thomas & Cunningham

Certified Public Accountants

Eddie G. Johnson, C.P.A. - A Professional Corporation (1962-1996)

Mark D. Thomas, C.P.A. - A Professional Corporation

Roger M. Cunningham, C.P.A. - A Professional Corporation

J. Paul Miller, C.P.A. - A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457*

(318) 352-3652

Fax (318) 352-4447

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the
Louisiana Association of
Councils on Aging, Inc.

We have audited the general purpose financial statements of Louisiana Association of Councils on Aging, Inc., Natchitoches, Louisiana, as of and for the year ended June 30, 1999, as listed in the Table of Contents. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

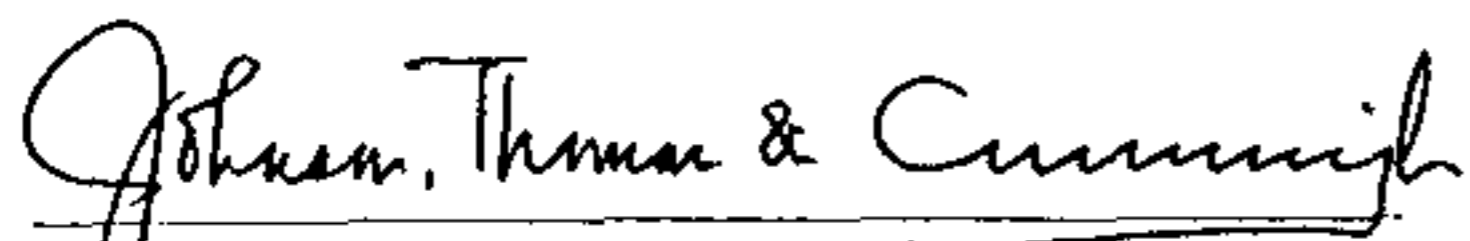
We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that we 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association of Councils on Aging, Inc., as of June 30, 1999, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated the same date as this letter on our consideration of Louisiana Association of Councils on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Schedules and Other Information" in the Table of Contents is presented for the purpose of additional analysis, and is not a required part of the financial statements of Louisiana Association of Councils on Aging, Inc. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements of each of the respective individual funds and the account group taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, combining, individual fund and account group financial statements of Louisiana Association of Councils, on Aging, Inc.


Johnson, Thomas & Cunningham, CPA's

October 13, 1999
Natchitoches, Louisiana

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Balance Sheet
All Fund Types and Account Group
June 30, 1999 and 1998

	<u>Fund Types</u>		<u>Account Group</u>	<u>Totals</u>	
	<u>Governmental</u>	<u>Special Revenue</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>	
				<u>1999</u>	<u>1998</u>
<u>Assets</u>					
Cash	\$50,999	\$44,787	\$ 0	\$ 95,786	\$ 70,110
Investments	7,170	0	0	7,170	6,926
Accounts Receivable	850	0	0	850	0
Equipment	<u>0</u>	<u>0</u>	<u>67,490</u>	<u>67,490</u>	<u>63,013</u>
Total Assets	<u>\$59,019</u>	<u>\$44,787</u>	<u>\$67,490</u>	<u>\$171,296</u>	<u>\$140,049</u>
<u>Liabilities</u>					
Accounts Payable	\$ <u>365</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>365</u>	\$ <u>17,682</u>
<u>Fund Equity</u>					
Investment in General Fixed Assets	\$ 0	\$ 0	\$67,490	\$ 67,490	\$ 63,013
Fund Balance:					
Unreserved-Undesignated	<u>58,654</u>	<u>44,787</u>	<u>0</u>	<u>103,441</u>	<u>59,354</u>
Total Fund Equity	<u>\$58,654</u>	<u>\$44,787</u>	<u>\$67,490</u>	<u>\$170,931</u>	<u>\$122,367</u>
Total Liabilities & Fund Equity	<u>\$59,019</u>	<u>\$44,787</u>	<u>\$67,490</u>	<u>\$171,296</u>	<u>\$140,049</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	General Fund Types	Special Revenue Fund Types	Totals (Memorandum Only)	
			1999	1998
REVENUES:				
Intergovernmental	\$ 78,859	\$ 1,050	\$ 79,909	\$ 79,910
Miscellaneous	<u>290,027</u>	<u>212,345</u>	<u>502,372</u>	<u>466,383</u>
Total Revenues	<u>\$368,886</u>	<u>\$213,395</u>	<u>\$582,281</u>	<u>\$546,293</u>
EXPENDITURES:				
Current-				
Salaries	\$ 55,999	\$ 0	\$ 55,999	\$ 57,219
Fringe	21,101	0	21,101	19,148
Travel	15,991	0	15,991	17,489
Operating Services	46,456	1,050	47,506	43,716
Operating Supplies	10,483	0	10,483	17,020
Other Costs	<u>207,714</u>	<u>174,923</u>	<u>382,637</u>	<u>406,925</u>
Total Current Expenditures	\$357,744	\$175,973	\$533,717	\$561,517
Capital Outlay	<u>4,477</u>	<u>0</u>	<u>4,477</u>	<u>5,025</u>
Total Expenditures	<u>\$362,221</u>	<u>\$175,973</u>	<u>\$538,194</u>	<u>\$566,542</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>6,665</u>	\$ <u>37,422</u>	\$ <u>44,087</u>	\$ <u>(20,249)</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 1,300	\$ 0	\$ 1,300	\$ 0
Operating Transfers Out	<u>(1,300)</u>	<u>0</u>	<u>1,300</u>	<u>0</u>
Total Other Financing	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 6,665	\$ 37,422	\$ 44,087	\$ (20,249)
Fund Balances (Deficit)- Beginning of Year	<u>51,989</u>	<u>7,365</u>	<u>59,354</u>	<u>79,603</u>
Fund Balances (Deficit)- End of Year	<u>\$ 58,654</u>	<u>\$ 44,787</u>	<u>\$103,441</u>	<u>\$ 59,354</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget (GAAP Basis) and Actual
General Fund Types
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 78,859	\$ 78,859	\$ 0
Miscellaneous	<u>282,485</u>	<u>290,027</u>	<u>7,542</u>
Total Revenues	<u>\$361,344</u>	<u>\$368,886</u>	<u>\$ 7,542</u>
EXPENDITURES:			
Current-			
Salaries	\$ 58,477	\$ 55,999	\$ 2,478
Fringe	22,614	21,101	1,513
Travel	17,500	15,991	1,509
Operating Services	49,750	46,456	3,294
Operating Supplies	13,700	10,483	3,217
Other Costs	<u>186,350</u>	<u>207,714</u>	<u>(21,364)</u>
Total Current Expenditures	\$348,391	\$357,744	\$ (9,353)
Capital Outlay	<u>0</u>	<u>4,477</u>	<u>(4,477)</u>
Total Expenditures	<u>\$348,391</u>	<u>\$362,221</u>	<u>\$(13,830)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>12,953</u>	\$ <u>6,665</u>	\$ <u>(6,288)</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 0	\$ 1,300	\$ 1,300
Operating Transfers Out	<u>0</u>	<u>(1,300)</u>	<u>(1,300)</u>
Total Other Financing	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ 12,953	\$ 6,665	\$ (6,288)
Fund Balance (Deficit)- Beginning of Year	<u>51,989</u>	<u>51,989</u>	<u>0</u>
Fund Balance (Deficit)- End of Year	<u>\$ 64,942</u>	<u>\$ 58,654</u>	<u>\$ (6,288)</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Statement of Revenues, Expenditures and Changes in Fund Balances-
Budget (GAAP Basis) and Actual
Special Revenue Funds
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable Unfavorable)</u>
REVENUES:			
Intergovernmental	\$ 1,050	\$ 1,050	\$ 0
Miscellaneous	<u>209,000</u>	<u>212,345</u>	<u>3,345</u>
Total Revenues	<u>\$210,050</u>	<u>\$213,395</u>	<u>\$ 3,345</u>
EXPENDITURES:			
Current-			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	0	0	0
Travel	0	0	0
Operating Services	1,550	1,050	500
Operating Supplies	0	0	0
Other Costs	<u>209,000</u>	<u>174,923</u>	<u>34,077</u>
Total Expenditures	<u>\$210,550</u>	<u>\$175,973</u>	<u>\$34,577</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ <u>(500)</u>	\$ <u>37,422</u>	\$ <u>37,922</u>
OTHER FINANCING SOURCES (USES):			
Operating Transfers In	\$ 0	\$ 0	\$ 0
Operating Transfers Out	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources Over Expen- ditures and Other Uses	\$ (500)	\$ 37,422	\$37,922
Fund Balance-Beginning of Year	<u>7,365</u>	<u>7,365</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 6,865</u>	<u>\$ 44,787</u>	<u>\$37,922</u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

ORGANIZATION:

Louisiana Association of Councils on Aging, Inc., is a non-profit quasi-public corporation that performs services for the sixty-four parish Councils on Aging, and operates grant programs. The Association receives funding from the State of Louisiana (Legislative Grant), local Councils on Aging (membership fees), Louisiana Power and Light Company (Helping Hands Program), Louisiana Gas Service Company (Heating Help Program), and Central Louisiana Electric Company (Energy Fund Program). The Association is also engaged in rentals of personal emergency response system devices.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

A. BASIS OF PRESENTATION:

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 local governmental units as prescribed 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 Office of Elderly Affairs Contractors; and, the revised *Louisiana Governmental Audit Guide*.

B. USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

C. FUND ACCOUNTING:

The accounts of the Association are organized on the basis of funds and an account group, 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 the individual funds based upon the purposes for which they are to be 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 Association are financed. The acquisition, use, and balances of the Association'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 determination of net income. The following are the Association's governmental fund types:

General Funds - The General Fund (State of Louisiana) and the Discretionary Fund (Local) are the general operating funds of the Association. They are 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 from which they are derived.

The following types of programs comprise the Association's General Fund:

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

The Association'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 a part of the General Fund's local program.

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

Special Revenue Funds - Heating Help Fund, Helping Hands Fund, Energy Fund, and Audit Allotment Fund are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

D. 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 when susceptible to accrual (i.e. in the accounting period in which they become available and measurable), such as all grant funds and rentals of personal emergency response systems (PERS) devices. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable. All other revenues of the Association are recognized when collected.

E. TRANSFERS:

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

F. BUDGET POLICY:

The Association follows these procedures in establishing the budgetary data reflected in these financial statements.

- (1) The Governor's Office of Elderly Affairs "GOEA" notifies the Association each year as to the funding levels for each programs' grant award.
- (2) The Executive Director prepares a proposed budget based on the funding levels provided by GOEA and then submits the budget to the Board of Directors for approval.
- (3) The Board of Directors reviews and adopts the budget before June 30 of the current year for the next year.
- (4) The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.
- (5) All budgetary appropriations lapse at the end of each fiscal year (June 30).
- (6) The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

- (7) Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. There were no amendments during the year effective June 30, 1999.
- (8) Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

G. TOTAL COLUMNS OF COMBINED STATEMENTS - OVERVIEW:

Total columns on the combined statements - overview, and the combining statements 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.

H. FIXED ASSETS:

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus.

All governmental fund types operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost.

I. COMPARATIVE DATA:

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Association'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.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

J. ANNUAL AND SICK LEAVE, VACATION:

Employees of the Association can accrue or "carry forward" 30 hours of annual leave and 16 hours of sick leave from year to year. However, the amount of accrued leave/sick pay was deemed to be insignificant at June 30, 1999. As such, there are no accruals made in either of the General Funds, or in a general long-term debt account group for these payments.

K. RELATED PARTY TRANSACTIONS:

The Association did not have any related party transactions during the reporting period.

2. FUNDING POLICIES AND SOURCES OF FUNDS-

The Association receives its monies through various methods of funding. Some of the funds are received on a grant basis. Under this method, funds are received as needed or on a monthly or quarterly allocation of the total grant.

3. BOARD OF DIRECTOR'S COMPENSATION-

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

4. INCOME TAX STATUS-

The Association is a non-profit corporation exempt from federal income taxation under Section 501 (C) (3) of the Internal Revenue Code.

5. CHANGES IN GENERAL FIXED ASSETS-

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>07-01-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-99</u>
Office Furniture & Equipment	\$ <u>63,013</u>	\$ <u>4,477</u>	\$0	\$ <u>67,490</u>

6. CASH AND INVESTMENTS-

Cash and investments are held separately by each of the Association's Funds. At June 30, 1999, the Association's cash and investments totaled \$102,956. Of the amounts held in commercial banks and savings and loan associations, the entirety was covered by federal depository insurance.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

The Association's cash and investments are categorized below to give an indication of the level of risk assumed by the Association at June 30, 1999. Category 1 includes cash that is held by the Association, cash and investments that are insured or registered, or investments held by the Association or its brokers in the Association's name. Category 2 includes uninsured or unregistered investments for which the securities are held by the broker's dealer's trust department or agent in the Association's name. Category 3 would include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Association's name.

	Category			Carrying Value
	1	2	3	
Cash-Checking Accounts	\$ 95,786	\$0	\$0	\$ 95,786
Cash-Savings	7,170	0	0	7,170
Totals	\$102,956	\$0	\$0	\$102,956

7. ACCOUNTS RECEIVABLE-

Accounts receivable at June 30, 1999 represents administrative fees due from utility companies and amounts due from customers renting personal emergency response system (PERS) devices from the Association. Uncollectible amounts generally represent less than 1% of total accounts receivable. Accordingly, no provisions have been made for uncollectible amounts.

8. PENSION PLAN-

The Association has no pension plan for its employees. All employees are covered by the Social Security Act.

9. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES-

There is no litigation pending against the Association at June 30, 1999. Furthermore, the Association's management believes that any potential lawsuits would be adequately covered by insurance.

10. FEDERALLY ASSISTED PROGRAMS-

The Association often participates in a number of federally assisted programs. These programs are audited in accordance with the *Single Audit Act of 1984*. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Association's management believes that further examinations would not result in any significant disallowed costs. The Association has not received any federal assistance in the last two years.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Notes to Financial Statements
June 30, 1999

11. ECONOMIC DEPENDENCY-

The Association receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs and from the rental of personal emergency response system (PERS) devices to elderly customers. 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 Association receives could be reduced significantly. Likewise, if the market for PERS devices becomes more competitive or less profitable, the Association may not have adequate funds available for discretionary use. Either of these conditions could have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

12. IRC Section 125 Cafeteria Plan-

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

13. INTERFUND TRANSFERS-

Operating transfers in and out are listed by fund for Fiscal Year Ended June 30, 1999:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund - Local	\$ 0	\$1,300
General Fund - State of Louisiana	<u>1,300</u>	<u>0</u>
Total General Funds	<u>\$1,300</u>	<u>\$1,300</u>
Special Revenue Funds	<u>0</u>	<u>0</u>
Total All Funds	<u>\$1,300</u>	<u>\$1,300</u>

14. YEAR 2000 ISSUE-

The Year 2000 issue is a result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond if date sensitive coding is not corrected. The Association is aware of the year 2000 issue and is currently assessing all of its systems.

SCHEDULES AND OTHER INFORMATION

COMBINING FINANCIAL STATEMENTS

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combined Balance Sheet
General Fund Types
June 30, 1999

With Comparative Amounts from Year Ended June 30, 1998

	<u>General Fund Types</u>		<u>Totals</u>	
	<u>Local</u> <u>(Unreserved)</u>	<u>State of</u> <u>Louisiana</u>	<u>(Memorandum Only)</u> <u>6-30-99</u>	<u>6-30-98</u>
<u>Assets</u>				
Cash	\$48,475	\$2,524	\$50,999	\$62,745
Investments, C/D's	7,170	0	7,170	6,296
Accounts Receivable	<u>850</u>	<u>0</u>	<u>850</u>	<u>0</u>
Total Assets	<u>\$56,495</u>	<u>\$2,524</u>	<u>\$59,019</u>	<u>\$69,671</u>
<u>Liabilities</u>				
Accounts Payable	\$ <u>0</u>	\$ <u>365</u>	\$ <u>365</u>	\$ <u>17,682</u>
<u>Fund Balances</u>				
Unreserved-Undesignated	<u>56,495</u>	<u>2,159</u>	<u>58,654</u>	<u>51,989</u>
Total Liabilities & Fund Balances	<u>\$56,495</u>	<u>\$2,524</u>	<u>\$59,019</u>	<u>\$69,671</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combining Schedule of Program Revenues, Expenditures & Changes in Fund Balances-
General Funds
Year Ended June 30, 1999
With Comparative Amounts from Year Ended June 30, 1998

	General Fund Types		Totals (Memorandum Only)	
	Local (Unreserved)	State of Louisiana	6-30-99	6-30-98
REVENUES:				
Intergovernmental- Office of Elderly Affairs- Legislative Grant	\$ 0	\$78,859	\$ 78,859	\$ 78,856
Miscellaneous- Dues from Parish COA's	0	6,900	6,900	4,800
Interest Income	1,028	67	1,095	1,945
Special Revenue Admin. Fees	15,700	0	15,700	15,700
PERS Fees	259,763	0	259,763	224,061
Insurance Admin. Fees	3,450	0	3,450	2,800
Miscellaneous	3,119	0	3,119	506
Total Revenues	\$283,060	\$85,826	\$368,886	\$328,668
EXPENDITURES:				
Salaries	\$ 0	\$55,999	\$ 55,999	\$ 57,219
Fringe	16,741	4,360	21,101	19,148
Travel	15,991	0	15,991	17,489
Operating Services	17,844	28,612	46,456	42,479
Operating Supplies	10,483	0	10,483	17,020
Other Costs- PERS Fees	207,327	0	207,327	191,528
Miscellaneous	387	0	387	
Capital Outlays	4,477	0	4,477	5,025
Total Expenditures	\$273,250	\$88,971	\$362,221	\$349,908
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,810	\$ (3,145)	\$ 6,665	\$ (21,240)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	\$ 1,300	\$ 0	\$ 1,300	\$ 0
Operating Transfers Out	0	(1,300)	(1,300)	0
Total Other Financing	\$ 1,300	\$ (1,300)	\$ 0	\$ 0
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 11,110	\$ (4,445)	\$ 6,665	\$ (21,240)
Fund Balance (Deficit) Beginning of Year	45,385	6,604	51,989	73,229
Fund Balance (Deficit) End of Year	\$ 56,495	\$ 2,159	\$ 58,654	\$ 51,989

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combining Balance Sheet
Special Revenue Funds
June 30, 1999

	<u>Special Revenue Funds</u>				<u>Totals</u>	
	<u>Heating Help</u> <u>Fund</u>	<u>Helping Hands</u> <u>Fund</u>	<u>Energy</u> <u>Fund</u>	<u>Audit Allotment</u> <u>Fund</u>	<u>(Memorandum)</u> <u>6-30-99</u>	<u>6-30-98</u>
<u>Assets</u>						
Cash	\$39,313	\$5,111	\$363	\$0	\$44,787	\$7,365
Accounts Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$39,313</u>	<u>\$5,111</u>	<u>\$363</u>	<u>\$0</u>	<u>\$44,787</u>	<u>\$7,365</u>
<u>Liabilities</u>						
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
<u>Fund Balances</u>						
Unreserved- Undesignated	<u>\$39,313</u>	<u>\$5,111</u>	<u>\$363</u>	<u>\$0</u>	<u>\$44,787</u>	<u>\$7,365</u>
Total Liabilities & Fund Balances	<u>\$39,313</u>	<u>\$5,111</u>	<u>\$363</u>	<u>\$0</u>	<u>\$44,787</u>	<u>\$7,365</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Combining Schedule of Program Revenues, Expenditures & Changes in Fund Balances
Special Revenue Funds
Year Ended June 30, 1999

	Special Revenue Funds				Totals (Memorandum)	
	Heating Help Fund	Helping Hands Fund	Energy Fund	Audit Allotment Fund	6-30-99	6-30-98
REVENUES:						
Intergovernmental-						
Office of Elderly Affairs	\$ 0	\$ 0	\$ 0	\$1,050	\$ 1,050	\$ 1,054
Miscellaneous-						
LP&L Contributions	0	144,658	0	0	144,658	147,204
LA Gas Service Co.	50,000	0	0	0	50,000	50,000
CLECO Contributions	0	0	17,306	0	17,306	18,947
Interest	<u>292</u>	<u>89</u>	<u>0</u>	<u>0</u>	<u>381</u>	<u>420</u>
Total Revenues	<u>\$50,292</u>	<u>\$144,747</u>	<u>\$17,306</u>	<u>\$1,050</u>	<u>\$213,395</u>	<u>\$217,625</u>
EXPENDITURES:						
Administration-						
Salaries	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fringe	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Operating Services	0	0	0	1,050	1,050	1,237
Operating Supplies	0	0	0	0	0	0
Other Costs-						
Capital Expenditures	0	0	0	0	0	0
Stipends	0	0	0	0	0	0
Disbursement to Parishes	14,826	142,174	17,923	0	174,923	215,397
Consultants	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$14,826</u>	<u>\$142,174</u>	<u>\$17,923</u>	<u>\$1,050</u>	<u>\$175,973</u>	<u>\$216,634</u>
Excess (Deficiency) of Revenues Over Expenditures	\$35,466	\$ 2,573	\$ (617)	\$ 0	\$ 37,422	\$ 991
Fund Balance (Deficit) Beginning of Year	<u>3,847</u>	<u>2,538</u>	<u>980</u>	<u>0</u>	<u>7,365</u>	<u>6,374</u>
Fund Balance (Deficit) End of Year	<u>\$39,313</u>	<u>\$ 5,111</u>	<u>\$ 363</u>	<u>\$ 0</u>	<u>\$ 44,787</u>	<u>\$ 7,365</u>

See notes to financial statements.

INDIVIDUAL FUND INFORMATION

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Schedule of Expenditures-Budget and Actual
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Budgeted Over/(Under) <u>Actual</u>
EXPENDITURES:			
<u>Local (Unreserved):</u>			
Salaries	\$ 0	\$ 0	\$ 0
Fringe	18,140	16,741	1,399
Travel	17,500	15,991	1,509
Operating Services	17,300	17,844	(544)
Operating Supplies	13,700	10,483	3,217
Other Costs-			
PERS Expense	184,850	207,327	(22,477)
Miscellaneous	1,500	387	1,113
Capital Outlays	<u>0</u>	<u>4,477</u>	<u>(4,477)</u>
Total	<u>\$252,990</u>	<u>\$273,250</u>	<u>\$(20,260)</u>
<u>State of Louisiana-Act 735:</u>			
Salaries	\$ 58,477	\$ 55,999	\$ 2,478
Fringe	4,474	4,360	114
Travel	0	0	0
Operating Services	32,450	28,559	3,891
Operating Supplies	0	0	0
Other-			
COA Group Health Ins.	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 95,401</u>	<u>\$ 88,918</u>	<u>\$ 6,483</u>
Total General Funds	<u>\$348,391</u>	<u>\$362,168</u>	<u>\$(13,777)</u>

Continued next page

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Schedule of Expenditures-Budget and Actual
Year Ended June 30, 1999

	<u>Budget</u>	<u>Actual</u>	Budgeted Over/(Under) <u>Actual</u>
<u>Helping Hands Program:</u>			
Disbursements to Parishes COA	\$141,000	\$142,174	\$ (1,174)
Operating Services	<u>300</u>	<u>0</u>	<u>300</u>
Total	<u>\$141,300</u>	<u>\$142,174</u>	<u>\$ (874)</u>
<u>Energy Funds Program:</u>			
Disbursements to Parishes COA	\$ 18,000	\$ 17,923	\$ 77
Operating Services	<u>100</u>	<u>0</u>	<u>100</u>
Total	<u>\$ 18,100</u>	<u>\$ 17,923</u>	<u>\$ 177</u>
<u>Heating Help Program:</u>			
Disbursement to Parish COA	\$ 50,000	\$ 14,826	\$35,174
Operating Supplies	<u>100</u>	<u>0</u>	<u>100</u>
Total	<u>\$ 50,100</u>	<u>\$ 14,826</u>	<u>\$35,274</u>
<u>Audit Allotment Fund:</u>			
Operating Services	<u>\$ 1,050</u>	<u>\$ 1,050</u>	<u>\$ 0</u>

See notes to financial statements.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana

Exit Conference
June 30, 1999

An exit conference was held on Friday, October 22, 1999, at the Association's office in Natchitoches, Louisiana. The conference was attended by Melanie McGill, director of the Association, members of the Budget and Finance Committee, and Roger Cunningham, from the firm of Johnson, Thomas & Cunningham, CPA's. A separate management letter was not issued. However, the audit report, accounting records, and the internal control procedures of the Association were discussed, including all matters noted in the report on internal controls included herein. The director received our findings and recommendations favorably.

INTERNAL CONTROL AND COMPLIANCE

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit H

Page 27

Eddie G. Johnson, C.P.A. - A Professional Corporation (1968-1996)

Mark D. Thomas, C.P.A. - A Professional Corporation

Roger M. Cunningham, C.P.A. - A Professional Corporation

J. Paul Miller, C.P.A. - A Professional Corporation

321 Bienville Street

Natchitoches, Louisiana 71457

(318) 352-3652

Fax (318) 352-4447

AUDITORS' REPORT ON 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 of Louisiana
Associations of Councils on Aging, Inc.

We have audited the general purpose financial statements of Louisiana Association of Councils on Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated October 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards for audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether Louisiana Association of Councils on Aging, Inc.'s financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our 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 our audit, we considered Louisiana Association of Councils on Aging, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Louisiana Association of Councils on Aging, Inc.'s ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

This report is intended solely for the use of management, all applicable federal agencies, and those other governmental units from which financial assistance was received and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, upon delivery to Louisiana Association of Councils on Aging, Inc. is a matter of public record.


Johnson, Thomas & Cunningham, CPAs

October 13, 1999
Natchitoches, Louisiana

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana
June 30, 1999

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Louisiana Association of Councils on Aging, Inc.
2. There were no reportable conditions disclosed during the audit of the financial statements required to be reported in the Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements were disclosed during the audit.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

None.

Louisiana Association of Councils on Aging, Inc.
Natchitoches, Louisiana
June 30, 1999

SUMMARY OF PRIOR YEAR'S FINDINGS

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

98-1 SEPARATION OF DUTIES

No recommendation was made, nor was a corrective action plan required.

98-2 ACCOUNTS RECEIVABLE

Procedures were implemented to maintain a subsidiary ledger of all customers renting personal emergency response system (PERS) devices.

SECTION II: INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.

SECTION III: MANAGEMENT LETTER

Not applicable.