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ST. MARY COUNCIL ON AGING, INC.

Franklin, Louisiana

Financial Report

Year Ended June 30, 1999

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

Release Date Dec 22 1999

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Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

B. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihn, CPA
Stephanie M. Higginbotham, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Armato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontiff, CPA
Tamera T. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Steffy, CPA
Jason H. Watson, CPA

Independent Auditor's Report

The Board of Directors
St. Mary Council on Aging, Inc.
Franklin, Louisiana

We have audited the accompanying general purpose financial statements of the St. Mary Council on Aging, Inc., as of and for the year ended June 30, 1999. These general purpose financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
337.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
337.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Megret
Bbeville, LA 70510
337.893.5470

dsfcpas.com

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue in order for financial statements to be in conformity with generally accepted accounting principles. Such required disclosures include:

- any significant amount of resources committed to make computer systems and other electronic equipment year 2000-compliant;
- a general description of the year 2000 issue, including a description of the stages of work in process or completed as of the end of the reporting period to make computer systems and other electronic equipment critical to conducting operations year 2000-compliant; and
- the additional stages of work necessary for making the computer systems and other electronic equipment year 2000-compliant.

Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

The St. Mary Council on Aging, Inc. has omitted such disclosures. We do not provide assurance that the Council is or will be year 2000 ready, that the Council's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Council does business will be year 2000 ready.

In our opinion, except for the omission of the information discussed in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the St. Mary Council 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 a report dated September 9, 1999, on our consideration of the St. Mary Council on Aging, Inc. 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 of the St. Mary Council on Aging, Inc. taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the St. Mary 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 our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 9, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

ST. MARY COUNCIL ON AGING, INC.

Combined Balance Sheet – All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types		Account Groups		Total (Memorandum Only)
	General	Special Revenue	General Fixed Assets	General Long-term Debt	
ASSETS					
Cash	\$ 109,155	\$ 8,129	\$ -	\$ -	\$ 117,284
Investments	182,174	-	-	-	182,174
Due from other agencies	10,977	-	-	-	10,977
Other receivables	2,699	-	-	-	2,699
Deposits	-	7,000	-	-	7,000
Prepaid expenditures	4,487	-	-	-	4,487
Fixed assets	-	-	112,965	-	112,965
Amount to be provided for retirement of general long-term debt	-	-	-	8,431	8,431
Total assets	<u>\$ 309,492</u>	<u>\$ 15,129</u>	<u>\$ 112,965</u>	<u>\$ 8,431</u>	<u>\$ 446,017</u>
LIABILITIES AND FUND EQUITY					
Liabilities:					
Long-term debt - Accumulated unpaid vacation	\$ -	\$ -	\$ -	\$ 8,431	\$ 8,431
Fund Equity:					
Investment in fixed assets	-	-	112,965	-	112,965
Fund balances -					
Unreserved - undesignated	302,897	15,129	-	-	318,026
Reserved for prepaid expenditures	4,487	-	-	-	4,487
Reserved for payment of utility bills	2,108	-	-	-	2,108
Total fund balances	<u>309,492</u>	<u>15,129</u>	<u>-</u>	<u>-</u>	<u>324,621</u>
Total fund equity	<u>309,492</u>	<u>15,129</u>	<u>112,965</u>	<u>-</u>	<u>437,586</u>
Total liabilities and fund equity	<u>\$ 309,492</u>	<u>\$ 15,129</u>	<u>\$ 112,965</u>	<u>\$ 8,431</u>	<u>\$ 446,017</u>

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances – All Governmental Fund Types
Year Ended June 30, 1999

	General	Special Revenue	Total (Memorandum Only)
Revenues:			
Intergovernmental	\$ 76,050	\$ 158,211	\$ 234,261
Program	1,106	56,121	57,227
Local and miscellaneous	<u>70,059</u>	<u>53,211</u>	<u>123,270</u>
Total revenues	<u>147,215</u>	<u>267,543</u>	<u>414,758</u>
Expenditures:			
Current -			
Salaries	47,602	285,000	332,602
Fringe	3,746	30,052	33,798
Travel	608	26,372	26,980
Operating services	9,043	43,720	52,763
Operating supplies	1,964	17,626	19,590
Other costs	2,867	6,556	9,423
Capital outlay	<u>5,252</u>	<u>3,846</u>	<u>9,098</u>
Total expenditures	<u>71,082</u>	<u>413,172</u>	<u>484,254</u>
Excess (deficiency) of revenues over expenditures	<u>76,133</u>	<u>(145,629)</u>	<u>(69,496)</u>
Other financing sources (uses):			
Operating transfers in	12,588	251,869	264,457
Operating transfers out	<u>(167,229)</u>	<u>(97,228)</u>	<u>(264,457)</u>
Total other financing sources (uses)	<u>(154,641)</u>	<u>154,641</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(78,508)	9,012	(69,496)
Fund balances, beginning of year	<u>388,000</u>	<u>6,117</u>	<u>394,117</u>
Fund balances, end of year	<u>\$ 309,492</u>	<u>\$ 15,129</u>	<u>\$ 324,621</u>

The accompanying notes are an integral part of this statement.

ST. MARY COUNCIL ON AGING, INC.

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

	General Fund		Variance - Favorable (Unfavorable)
	Budgeted	Actual	
Revenues:			
Intergovernmental	\$ 72,229	\$ 76,050	\$ 3,821
Program	1,106	1,106	-
Local and miscellaneous	<u>57,100</u>	<u>70,059</u>	<u>12,959</u>
Total revenues	<u>130,435</u>	<u>147,215</u>	<u>16,780</u>
Expenditures:			
Current -			
Salaries	47,602	47,602	-
Fringe	3,746	3,746	-
Travel	632	608	24
Operating services	3,128	9,043	(5,915)
Operating supplies	670	1,964	(1,294)
Other costs	9,000	2,867	6,133
Capital outlay	<u>5,000</u>	<u>5,252</u>	<u>(252)</u>
Total expenditures	<u>69,778</u>	<u>71,082</u>	<u>(1,304)</u>
Excess (deficiency) of revenues over expenditures	<u>60,657</u>	<u>76,133</u>	<u>15,476</u>
Other financing sources (uses):			
Operating transfers in	12,588	12,588	-
Operating transfers out	<u>(167,229)</u>	<u>(167,229)</u>	<u>-</u>
Total other financing sources (uses)	<u>(154,641)</u>	<u>(154,641)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(93,984)	(78,508)	15,476
Fund balances, beginning of year	<u>388,000</u>	<u>388,000</u>	<u>-</u>
Fund balances, end of year	<u>\$ 294,016</u>	<u>\$ 309,492</u>	<u>\$ 15,476</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds

Budgeted	Actual	Variance - Favorable (Unfavorable)
\$ 158,211	\$ 158,211	\$ -
58,593	56,121	(2,472)
<u>55,862</u>	<u>53,211</u>	<u>(2,651)</u>
<u>272,666</u>	<u>267,543</u>	<u>(5,123)</u>
293,309	285,000	8,309
29,659	30,052	(393)
25,000	26,372	(1,372)
50,510	43,720	6,790
14,500	17,626	(3,126)
9,600	6,556	3,044
<u>3,846</u>	<u>3,846</u>	<u>-</u>
<u>426,424</u>	<u>413,172</u>	<u>13,252</u>
<u>(153,758)</u>	<u>(145,629)</u>	<u>8,129</u>
251,869	251,869	-
<u>(97,228)</u>	<u>(97,228)</u>	<u>-</u>
<u>154,641</u>	<u>154,641</u>	<u>-</u>
883	9,012	8,129
<u>6,117</u>	<u>6,117</u>	<u>-</u>
<u>\$ 7,000</u>	<u>\$ 15,129</u>	<u>\$ 8,129</u>

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

Act 456 of 1964 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. Each Council is a non-profit, quasi-public corporation which must comply with policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenue. The Council also receives revenue from other federal, state, and local government agencies which may impose some additional requirements.

The primary function of the Council on Aging is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, discount services, material aid, outreach, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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.

This report includes all funds and account groups which are controlled by or dependent on the St. Mary Council on Aging, Inc. Control by or dependence on the Council was determined on the basis of budget adoption, appointment of governing body, and other general oversight responsibility.

B. Presentation of Statements

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

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

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Accounting

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

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

Governmental Fund Types

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

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

General Fund

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

The following programs comprise the Council's General Fund:

Other Local

Revenues, such as, (1) donations from the general public, (2) income from various fundraisers, and (3) interest income earned on idle funds which have been invested, have been recorded in the "other local" program of the General Fund. Expenses incurred which are not chargeable to specific programs are recorded as "other local" program expenditures.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Local

Also, expenses incurred to produce related program service fees and fundraising income are charged as "other local" program expenditures. "Other local" funds are also used as transfers to special revenue funds to supplement those programs. In addition, fixed asset additions are generally paid with "other local" funds.

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 the "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

Medicaid

This is a program where the Council completes enrollment applications for people wanting to apply for Medicaid services. The Council is paid \$14 per application it completes by the Department of Health and Hospitals (DHH). Any funds remaining after applying direct costs to operate this 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 personal care attendant function.

Respite

The Respite program is a program sponsored by the Council to provide intermittent assistance to families having the responsibility of caring for an older impaired person who cannot be left alone. Through the program, the Council will provide a trained home care worker to come to the applicant's home for periods of three to eight hours to provide relief for the family. The Council charges \$4 per hour for the service. The program is funded through local funds and program revenues.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments and major capital projects) that are legally restricted to expenditures for specified purposes.

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

Title III-B Supportive Services Fund

Title III-B 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. This program is used to account for funds which are to provide a variety of social services; such as, information and assistance, access services, in-home services, community services, legal assistance, and outreach for people age 60 and older.

Title III C-1 Congregate Meals Fund

Title III C-1 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. This fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers. During the fiscal year July 1, 1998 to June 30, 1999, the Council served about 12,680 congregate meals.

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. This fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons. During the fiscal year July 1, 1998 to June 30, 1999, the Council served about 90,341 home delivered meals.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title III-D Fund

The Title 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 dysfunction, 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.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities or services, such as; (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, and (5) nutrition (assessment/screening, counseling, and education). The law directs the state agency administering this program to "give priority to areas of the state which are medically underserved and in which there are a large number of older individuals who have the greatest economic and social need." Title III-F funds are provided by the U.S. 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.

United Way Fund

This fund reports assistance received from the community's regular United Appeals Activity. The funds are received upon application to the United Way Agency and are subject to monitoring by that Agency.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Senior Center Fund

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

Title III B-Ombudsman Fund

The Ombudsman Fund is used to account for funds used to provide people age 60 and older residing in long-term care facilities a representative to ensure that such residents' rights are upheld, to resolve complaints by residents with the management of the long-term care facility, and to promote quality care at the facility. Ombudsman 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.

Miscellaneous Grant

The Miscellaneous Grant Fund is used to account for funds provided by the Louisiana Legislature to the Governor's Office of Elderly Affairs, which "passes through" the funds to the Council. The funds are used to supplement the other programs operated by the Council.

Section 5311

Section 5311 funds for local transportation are funds provided by the United States Department of Transportation through the Louisiana Department of Transportation and Development which in turn passes these funds to the Council via the St. Mary Parish Policy Jury. Funds earned and received by the Council are based on actual operating costs of providing transportation services to rural residents within the parish.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FTA Fund

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

Account Groups

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

General Fixed Assets

The fixed assets (capital outlays) used in governmental fund type operations of the St. Mary 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.

General Long-Term Debt

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

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 financing uses) in net current assets.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Council considers all revenues available if they are collected within 60 days after year end. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for principal and interest on long-term debt which are recorded when due.

E. Transfers and Interfund Loans

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

F. Budget Policy

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

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

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

The adopted budget is forwarded to the Governor's Office of Elderly Affairs for final approval.

All budgetary appropriations lapse at the end of each fiscal year (June 30). Occasionally, the Council will receive a special project grant

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

which may operate on a period different from the Council's normal fiscal year, and therefore, have a specified date where the budgetary appropriations will lapse.

The budget is prepared on the modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.

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

Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.

The Council may transfer funds between line items as often as required but must obtain prior approval from the Governor's Office of Elderly Affairs for funds received under grants from this state agency. As a part of this grant award, GOEA requires the Council to amend its budget in cases where actual costs for a particular cost category exceeded the budgeted amount by more than ten percent. Otherwise, the excess costs could be labeled as unauthorized expenditures.

Expenditures cannot legally exceed appropriations at the individual fund level.

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

G. 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.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Fixed Assets, Including Property Leased under Capital Leases

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

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

I. Compensated Absences

The Council's policy allows full-time and part-time employees to carry forward 20 days of unused sick leave and 5 days of annual leave beyond the fiscal year end. Employees earn 5 days of sick leave per year. Annual leave is earned by employees based on length of service. Upon separation of service, the employee will be paid for accrued annual leave for the current contract year. An employee will receive no compensation for unused sick leave upon separation from employment. The liability for accumulated annual leave has been recorded in the General Long-Term Debt account group.

J. Related Party Transactions

There were no related party transactions noted during the fiscal year.

K. Restricted Assets

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

L. Reservation and Designations of Fund Balances

The Council "reserves" portions of its fund balance that are not available for expenditure because resources have already been expended (but not consumed), or a legal restriction has been placed on certain assets which make them only available to meet future obligations.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Designated allocations of fund balances result when the Council's management intends to expend certain resources in a designated manner.

M. Prepaid Expenditures

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

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

NOTE 2 REVENUE RECOGNITION – INTERGOVERNMENTAL, PROGRAM SERVICE FEES, PUBLIC SUPPORT, AND MISCELLANEOUS REVENUES

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 (modified accrual basis). Intergovernmental grants do not allow the Council to recognize revenue under the grant award until actual costs are incurred or units of service are provided.

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. 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.

Public Support and Miscellaneous Revenues

Utility assistance funds are provided from public donations via utility company 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.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 3 CASH AND INTEREST-BEARING DEPOSITS

The Council maintains a consolidated bank account to deposit the money it collects and to pay its bills. The consolidated bank account is available for use by all funds. The purpose of this consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash balances to cover any negative cash balances in other funds at year end. At June 30, 1999, the balance of the Council's consolidated bank account was \$44,320. The Council also maintains an interest-bearing checking account with a national securities brokerage firm having an office located in St. Mary Parish. At June 30, 1999, the balance of this account was \$72,964.

Deposit balances (bank balances) at June 30, 1999, totaled \$150,237 and are secured as follows:

Bank Balance	\$ 150,237
Federal deposit insurance	<u>150,237</u>
Unsecured deposits at June 30, 1999	<u>\$ -</u>

GASB Statement 3 categorizes the credit risk of the federally insured portion of the deposits as Category 1 because they are fully insured. The unsecured portion of the deposits is categorized by GASB Statement 3 as Category 3. Category 3 included uninsured and uncollateralized deposits.

NOTE 4 INVESTMENTS

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

1. United States Treasury Bonds,
2. United States Treasury Notes,
3. United States Treasury Bills,
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank Bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds,
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana,
6. Fully collateralized repurchase agreements,
7. Fully collateralized interest-bearing checking accounts, and
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

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 needs.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 4 INVESTMENTS (CONTINUED)

At June 30, 1999, investments consisted of the following:

<u>Type of Investment</u>	<u>Amount</u>	<u>Rate</u>	<u>Maturity</u>
Whitney National Bank:			
Certificate of deposit	\$ 17,757	3.81%	August 28, 1999
Certificate of deposit	28,327	3.81%	October 17, 1999
Teche Federal Savings Bank:			
Savings	16,090	2.22%	N/A
Edward D. Jones:			
Certificate of deposit	30,000	5.85%	August 27, 1999
Certificate of deposit	45,000	5.10%	November 18, 1999
Certificate of deposit	<u>45,000</u>	5.20%	May 22, 2000
Total investments	<u>\$ 182,174</u>		

All of the above deposits were covered by federal depository insurance (Category 1).

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate except for the certificates of deposit at Edward D. Jones and they only fluctuate in slight amounts. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year end.

The above investments have been recorded at cost, which approximates market value. The market value of the above accounts do not fluctuate except for the certificates of deposit at Edward D. Jones and they only fluctuate in slight amounts. Management intends to hold all investments until their maturity, thus, no entry has been made on the books to reflect any increases or decreases in market value at year end.

NOTE 5 CHANGES IN GENERAL FIXED ASSETS

	<u>Balance July 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1999</u>
Furnitures & fixtures	\$ 39,918	\$ 9,098	\$ 7,269	\$ 41,747
Vehicles	<u>71,218</u>	<u>-</u>	<u>-</u>	<u>71,218</u>
Total general fixed assets	<u>\$ 111,136</u>	<u>\$ 9,098</u>	<u>\$ 7,269</u>	<u>\$ 112,965</u>

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 6 BOARD OF DIRECTORS' COMPENSATION

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

NOTE 7 INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and as an organization that is not a private foundation as defined in Section 509(a) of the Code. It is also exempt from Louisiana income tax.

NOTE 8 CHANGES IN LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the general long-term debt group of accounts. The following is a summary of changes in the general long-term debt account group.

	Balance July 1, 1998	Principal		Balance June 30, 1999
		Additions	Deletions	
Accrued annual leave	<u>\$ 8,712</u>	<u>\$ 8,197</u>	<u>\$ 8,478</u>	<u>\$ 8,431</u>

Accrued annual leave is expected to be paid during the fiscal year-end June 30, 2000 \$ 8,431

The annual requirements to amortize all debt outstanding at June 30, 1999, are as follows:

<u>Year ending June 30,</u>	
2000	<u>\$ 8,431</u>

NOTE 9 JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is a defendant in a lawsuit at June 30, 1999. Although the outcome of this lawsuit is not presently determinable, it is the opinion of the Council's management through discussions with its legal counsel that resolution of this matter would not have a material adverse effect of the Council's financial condition.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 10 FEDERAL AWARD PROGRAMS

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

NOTE 11 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.

NOTE 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.

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 13 INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for fiscal year 1999:

	Funds transferring out:				
	Miscellaneous Grant	PCOA Act 735	Senior Center	Section 5311	Medicaid Waiver
Funds transferring in:					
Title III-B	\$ 4,500	\$ -	\$ 36,586	\$ 8,429	\$ -
Title III C-2	-	21,779	-	-	-
Title III-D	-	-	-	-	-
FTA Fund	-	-	-	-	-
Ombudsman	-	-	-	-	-
General Fund	-	-	2,588	-	-
Respite Fund	-	-	-	-	10,000
	<u>\$ 4,500</u>	<u>\$ 21,779</u>	<u>\$ 39,174</u>	<u>\$ 8,429</u>	<u>\$ 10,000</u>

	Funds transferring out:			
	General Fund	United Way	Title C-1	Total
Funds transferring in:				
Title III-B	\$ 59,232	\$ 26,645	\$ -	\$ 135,392
Title III C-2	60,981	11,635	6,845	101,240
Title III-D	806	-	-	806
FTA Fund	7,000	-	-	7,000
Ombudsman	7,431	-	-	7,431
General Fund	-	-	-	2,588
Respite Fund	-	-	-	10,000
	<u>\$ 135,450</u>	<u>\$ 38,280</u>	<u>\$ 6,845</u>	<u>\$ 264,457</u>

NOTE 14 RESERVED FUND BALANCE

The Council receives funding from various utility companies for the restricted purpose of alleviating hardship conditions related to the payment of utility bills for elderly individuals. Funds available at year-end for this purpose have been reserved accordingly. The following summary outlines the activity by fund source for the year ended June 30, 1999:

	Balance July 1, 1998	Revenue July 1, 1998 - June 30, 1999	Disbursements July 1, 1998 - June 30, 1999	Balance June 30, 1999
LACOA	\$ 2,111	\$ 1,116	\$ 2,667	\$ 560
Co-op Cares	<u>1,436</u>	<u>112</u>	<u>-</u>	<u>1,548</u>
	<u>\$ 3,547</u>	<u>\$ 1,228</u>	<u>\$ 2,667</u>	<u>\$ 2,108</u>

ST. MARY COUNCIL ON AGING, INC.

Notes to Financial Statements

NOTE 15 LEASES

The Council entered into an operating lease for a site to be used as a senior center on July 1, 1993 for a period of one year. Thereafter, the lease is on a month to month basis with either party having the ability to terminate the lease upon giving thirty days notice. Sub-leasing the property is prohibited. Rent expense for the year ended June 30, 1999 is \$3,600.

NOTE 16 EXCESS EXPENDITURES OVER APPROPRIATIONS

At year-end, expenditures exceeded appropriations in the following fund:

Ombudsman	<u>\$ 165</u>
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This overexpenditure was funded through transfers from other funds.

SUPPLEMENTARY INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

ST. MARY COUNCIL ON AGING, INC.

Statement of Program Revenues, Expenditures, and
Changes in Fund Balance - General Fund
Year Ended June 30, 1999

	<u>Local</u>	<u>PCOA Act 735</u>	<u>Medicaid</u>
Revenues:			
Intergovernmental	\$ -	\$ 21,779	\$ 54,271
Program income	-	-	-
Local and miscellaneous -			
St. Mary Parish Council	21,000	-	-
City of Franklin	6,000	-	-
City of Patterson	3,500	-	-
Town of Baldwin	2,500	-	-
Town of Berwick	2,000	-	-
Food shortage	1,378	-	-
Interest income	16,479	-	-
Utility assistance	1,228	-	-
Donations	15,750	-	-
Miscellaneous	<u>224</u>	<u>-</u>	<u>-</u>
Total revenues	<u>70,059</u>	<u>21,779</u>	<u>54,271</u>
Expenditures:			
Current -			
Salaries	-	-	42,371
Fringe	-	-	3,331
Travel	76	-	283
Operating services	6,815	-	1,983
Operating supplies	1,894	-	60
Other costs	2,867	-	-
Capital outlay	<u>5,252</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>16,904</u>	<u>-</u>	<u>48,028</u>
Excess (deficiency) of revenues over expenditures	<u>53,155</u>	<u>21,779</u>	<u>6,243</u>
Other financing sources (uses):			
Operating transfers in	2,588	-	-
Operating transfers out	<u>(135,450)</u>	<u>(21,779)</u>	<u>(10,000)</u>
Total other financing sources (uses)	<u>(132,862)</u>	<u>(21,779)</u>	<u>(10,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(79,707)	-	(3,757)
Fund balance, beginning of year	<u>346,970</u>	<u>-</u>	<u>41,030</u>
Fund balance, end of year	<u>\$ 267,263</u>	<u>\$ -</u>	<u>\$ 37,273</u>

<u>Respite</u>	<u>Total</u>
\$ -	\$ 76,050
1,106	1,106
-	21,000
-	6,000
-	3,500
-	2,500
-	2,000
-	1,378
-	16,479
-	1,228
-	15,750
-	<u>224</u>
<u>1,106</u>	<u>147,215</u>
5,231	47,602
415	3,746
249	608
245	9,043
10	1,964
-	2,867
-	<u>5,252</u>
<u>6,150</u>	<u>71,082</u>
<u>(5,044)</u>	<u>76,133</u>
10,000	12,588
-	<u>(167,229)</u>
<u>10,000</u>	<u>(154,641)</u>
4,956	(78,508)
-	<u>388,000</u>
<u>\$ 4,956</u>	<u>\$ 309,492</u>

ST. MARY COUNCIL ON AGING, INC.

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds
Year Ended June 30, 1999

	Title III-B	Title III-C-1	Title III-C-2
Revenues:			
Intergovernmental	\$ 59,562	\$ 24,393	\$ 13,797
Program	18,191	8,820	29,110
Local and miscellaneous	<u>10,331</u>	<u>-</u>	<u>-</u>
Total revenues	<u>88,084</u>	<u>33,213</u>	<u>42,907</u>
Expenditures:			
Current -			
Salaries	149,951	21,113	103,735
Fringe	16,827	2,122	9,179
Travel	3,448	525	19,741
Operating services	31,164	2,086	9,691
Operating supplies	15,332	501	1,684
Other costs	6,556	-	-
Capital outlay	<u>198</u>	<u>21</u>	<u>117</u>
Total expenditures	<u>223,476</u>	<u>26,368</u>	<u>144,147</u>
Excess (deficiency) of revenues over expenditures	<u>(135,392)</u>	<u>6,845</u>	<u>(101,240)</u>
Other financing sources (uses):			
Operating transfers in	135,392	-	101,240
Operating transfers out	<u>-</u>	<u>(6,845)</u>	<u>-</u>
Total other financing sources (uses)	<u>135,392</u>	<u>(6,845)</u>	<u>101,240</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title III-D</u>	<u>Title III-F</u>	<u>United Way</u>	<u>Senior Center</u>	<u>Ombudsman</u>	<u>Miscellaneous Grant</u>
\$ 2,194	\$ 3,496	\$ -	\$ 36,586	\$ 5,254	\$ 4,500
-	-	-	-	-	-
-	-	42,880	-	-	-
<u>2,194</u>	<u>3,496</u>	<u>42,880</u>	<u>36,586</u>	<u>5,254</u>	<u>4,500</u>
626	-	-	-	9,575	-
85	-	-	-	1,839	-
2,113	-	-	-	545	-
152	-	-	-	627	-
21	-	-	-	88	-
-	-	-	-	-	-
3	3,496	-	-	11	-
<u>3,000</u>	<u>3,496</u>	-	-	<u>12,685</u>	-
<u>(806)</u>	-	<u>42,880</u>	<u>36,586</u>	<u>(7,431)</u>	<u>4,500</u>
806	-	-	-	7,431	-
-	-	(38,280)	(39,174)	-	(4,500)
<u>806</u>	-	<u>(38,280)</u>	<u>(39,174)</u>	<u>7,431</u>	<u>(4,500)</u>
-	-	4,600	(2,588)	-	-
-	-	3,529	2,588	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(continued)

ST. MARY COUNCIL ON AGING, INC.

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances -
All Special Revenue Funds (Continued)
Year Ended June 30, 1999

	FTA Fund	Section 5311	Total
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Intergovernmental	\$ -	\$ 8,429	\$ 158,211
Program	-	-	56,121
Local and miscellaneous	<u>-</u>	<u>-</u>	<u>53,211</u>
Total revenues	<u>-</u>	<u>8,429</u>	<u>267,543</u>
Expenditures:			
Current -			
Salaries	-	-	285,000
Fringe	-	-	30,052
Travel	-	-	26,372
Operating services	-	-	43,720
Operating supplies	-	-	17,626
Other costs	-	-	6,556
Capital outlay	<u>-</u>	<u>-</u>	<u>3,846</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>413,172</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>8,429</u>	<u>(145,629)</u>
Other financing sources (uses):			
Operating transfers in	7,000	-	251,869
Operating transfers out	<u>-</u>	<u>(8,429)</u>	<u>(97,228)</u>
Total other financing sources (uses)	<u>7,000</u>	<u>(8,429)</u>	<u>154,641</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,000	-	9,012
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>6,117</u>
Fund balances, end of year	<u>\$ 7,000</u>	<u>\$ -</u>	<u>\$ 15,129</u>

ST. MARY COUNCIL ON AGING, INC

Statement of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds
Year Ended June 30, 1999

	Budgeted	Actual	Variance - Favorable (Unfavorable)
<u>Title III-B</u>			
Salaries	\$ 149,516	\$ 149,951	\$ (435)
Fringe	16,220	16,827	(607)
Travel	3,692	3,448	244
Operating services	36,741	31,164	5,577
Operating supplies	12,350	15,332	(2,982)
Other costs	9,600	6,556	3,044
Capital outlay	<u>189</u>	<u>198</u>	<u>(9)</u>
	<u>\$ 228,308</u>	<u>\$ 223,476</u>	<u>\$ 4,832</u>
<u>Title III C-1</u>			
Salaries	\$ 21,374	\$ 21,113	\$ 261
Fringe	1,987	2,122	(135)
Travel	915	525	390
Operating services	2,228	2,086	142
Operating supplies	460	501	(41)
Capital outlay	<u>22</u>	<u>21</u>	<u>1</u>
	<u>\$ 26,986</u>	<u>\$ 26,368</u>	<u>\$ 618</u>
<u>Title III C-2</u>			
Salaries	\$ 112,351	\$ 103,735	\$ 8,616
Fringe	9,565	9,179	386
Travel	17,346	19,741	(2,395)
Operating services	10,792	9,691	1,101
Operating supplies	1,597	1,684	(87)
Capital outlay	<u>126</u>	<u>117</u>	<u>9</u>
	<u>\$ 151,777</u>	<u>\$ 144,147</u>	<u>\$ 7,630</u>
<u>Title III-D</u>			
Salaries	\$ 586	\$ 626	\$ (40)
Fringe	61	85	(24)
Travel	2,514	2,113	401
Operating services	153	152	1
Operating supplies	20	21	(1)
Capital outlay	<u>3</u>	<u>3</u>	<u>-</u>
	<u>\$ 3,337</u>	<u>\$ 3,000</u>	<u>\$ 337</u>

(Continued)

ST. MARY COUNCIL ON AGING, INC

Statement of Expenditures - Budget (GAAP Basis) and Actual -
All Special Revenue Funds (Continued)
Year Ended June 30, 1999

	<u>Budgeted</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Title III-F</u>			
Capital outlay	<u>\$ 3,496</u>	<u>\$ 3,496</u>	<u>\$ -</u>
<u>Ombudsman</u>			
Salaries	\$ 9,482	\$ 9,575	\$ (93)
Fringe	1,826	1,839	(13)
Travel	533	545	(12)
Operating services	596	627	(31)
Operating supplies	73	88	(15)
Capital outlay	<u>10</u>	<u>11</u>	<u>(1)</u>
	<u>\$ 12,520</u>	<u>\$ 12,685</u>	<u>\$ (165)</u>

INTERNAL CONTROL AND COMPLIANCE



Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA, CVA
Danny P. Frederick, CPA
Clayton E. Darnall, CPA
Eugene H. Darnall, III, CPA
Paula D. Bihm, CPA
Stephanie M. Higginbotham, CPA

Jennifer S. Ziegler, CPA
Chris A. Miller, CPA
John P. Armato, CPA

Kathleen T. Darnall, CPA
Stephen R. Dischler, MBA, CPA
Alan M. Taylor, CPA
Christine A. Raspberry, CPA
Steven G. Moosa, CPA
Erich G. Loewer, Jr., CPA
Erich G. Loewer, III, CPA
Danny P. Pontiff, CPA
Tamera J. Landry, CPA
Carla R. Fontenot, CPA
Raegan D. Stelly, CPA
Jason H. Watson, CPA

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

Other Locations:

125 Rue Beauregard
Lafayette, LA 70508
318.232.3312

1231 E. Laurel Avenue
Eunice, LA 70535
318.457.4146

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
504.384.6264

404 Pere Meuret
Abbeville, LA 70510
318.893.5470

The Board of Directors
St. Mary Council on Aging, Inc.
Franklin, Louisiana

dsfcpas.com

We have audited the general purpose financial statements of the St. Mary Council on Aging, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated September 9, 1999, which was qualified due to the omission of the year 2000 disclosures that are required by Governmental Accounting Standards Board Technical bulletin 98-1, *Disclosure about Year 2000 Issues*. We have 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.

Compliance

As part of obtaining reasonable assurance about whether the St. Mary Council on Aging, Inc.'s general purpose 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 general purpose 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 the St. Mary Council 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 general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our 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

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the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the board of directors and management and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Dannall, Sikes & Frederick
A Corporation of Certified Public Accountants

Lafayette, Louisiana
September 9, 1999

OTHER SUPPLEMENTARY INFORMATION

ST. MARY COUNCIL ON AGING, INC.

Schedule of Changes in General Fixed Assets
Year Ended June 30, 1999

	Balance June 30, 1998	Additions	Deletions	Balance June 30, 1999
General fixed assets, at cost:				
Furnitures & fixtures	\$ 39,918	\$ 9,098	\$ 7,269	\$ 41,747
Vehicles	<u>71,218</u>	<u>-</u>	<u>-</u>	<u>71,218</u>
Total general fixed assets	<u>\$ 111,136</u>	<u>\$ 9,098</u>	<u>\$ 7,269</u>	<u>\$ 112,965</u>
Investments in general fixed assets:				
Title III B	\$ 8,450	\$ 198	\$ 5,183	\$ 3,465
Title III C-1/C-2	1,676	138	-	1,814
Title III D	-	3	-	3
Title III F	10,330	3,496	-	13,826
Ombudsman	-	11	-	11
Senior Center	8,133	-	1,586	6,547
PCOA	608	-	-	608
Local and other	<u>81,939</u>	<u>5,252</u>	<u>500</u>	<u>86,691</u>
Total investments in general fixed assets	<u>\$ 111,136</u>	<u>\$ 9,098</u>	<u>\$ 7,269</u>	<u>\$ 112,965</u>

ST. MARY COUNCIL ON AGING, INC.

Schedule of Disbursements to Board Members
Year Ended June 30, 1999

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

ST. MARY COUNCIL ON AGING, INC.

Summary Schedule of Prior Year Findings
Year Ended June 30,1999

- 98-1 Finding: Inadequate Segregation of Accounting Functions
Status: This finding has been resolved.
- 98-2 Finding: Concentration of Credit Risk
Status: This finding has been resolved.
- 98-3 Finding: Violation of LA R.S. 39:1225
Status: This finding applied to the year ended June 30, 1998 and has been resolved.

ST. MARY COUNCIL ON AGING, INC.

Schedule of Findings and Questioned Costs
Year Ended June 30, 1999

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report – Financial Statements

A qualified opinion has been issued on St. Mary Council on Aging, Inc.'s financial statements as of and for the year ended June 30, 1999.

Reportable Condition – Financial Reporting

There were no reportable conditions noted during the audit.

Material Noncompliance – Financial Reporting

There were no material instances of noncompliance noted during the audit.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 1999.

Part 2: Findings Relating to an Audit in Accordance with Governmental Auditing Standards

There were no findings noted during the audit.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 1999, the St. Mary Council on Aging, Inc. did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.

ST. MARY COUNCIL ON AGING, INC.

Management's Corrective Action Plan For Current Year Findings
Year Ended June 30, 1999

There were no findings reported for the year ended June 30, 1999.