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WEBSTER PARISH COUNCIL ON AGING, INC
MINDEN, LOUISIANA

AUDIT REPORT OF ALL FUNDS
YEAR ENDED
JUNE 30, 1998

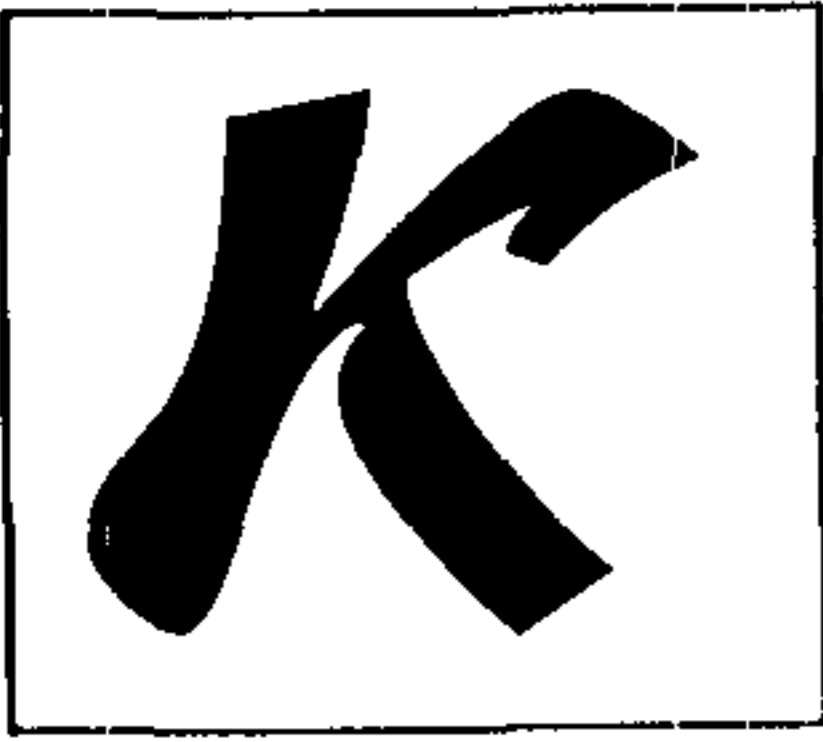
ROLAND D. KRAUSHAAR
CERTIFIED PUBLIC ACCOUNTANT
ALEXANDRIA, LOUISIANA

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 MAR 10 1999

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Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
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October 29, 1998

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Webster Parish Council on Aging, Inc.
Minden, Louisiana

I have audited the accompanying general purpose financial statements of the Webster Parish Council on Aging, Inc., for the year ended June 30, 1998, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Webster Parish Council on Aging, Inc., as of June 30, 1998, and the results of operations for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated October 29, 1998, on my consideration of Webster Parish Council on Aging, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organization", and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.



Roland D. Kraushaar
Certified Public Accountant

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998 and 1997

	<u>GOVERNMENTAL</u>		<u>ACCOUNT GROUP</u>	<u>TOTALS</u>	
	<u>FUND TYPES</u>		<u>GENERAL</u>	<u>(MEMORANDUM ONLY)</u>	
	<u>GENERAL</u>	<u>SPECIAL</u>	<u>FIXED</u>	<u>1998</u>	<u>1997</u>
		<u>REVENUE</u>	<u>ASSETS</u>		
<u>ASSETS</u>					
<u>ASSETS</u>					
Cash	\$308,216	\$ 2,366	\$ -	\$310,582	\$267,609
Interfund receivable	-	68,470	-	68,470	51,707
Grants Receivable	-	6,521	-	6,521	17,416
Prepaid expenses	-	-	-	-	994
Fixed assets	-	-	94,425	94,425	91,083
Total assets	\$468,650	\$272,748	\$98,183	\$847,607	\$649,735
	=====	=====	=====	=====	=====
<u>LIABILITIES, FUND EQUITY, OTHER CREDITS</u>					
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund payables	68,470	-	-	68,470	57,707
Deferred revenues	-	6,290	-	6,290	1,873
Total liabilities	\$ 68,470	\$ 6,290	\$ -	\$ 74,760	\$ 52,580
<u>FUND EQUITY AND OTHER CREDITS</u>					
<u>FUND EQUITY</u>					
Fund Balances					
Unreserved	\$293,746	\$ 71,067	\$ -	\$310,813	\$284,146
Total fund balances	\$293,746	\$ 71,067	\$ -	\$310,813	\$284,146
<u>OTHER CREDITS</u>					
Investment in general fixed assets	-	-	94,425	94,425	91,083
Total fund equity and other credits	\$239,746	\$ 71,067	\$94,425	\$405,238	\$375,229
Total liabilities, fund equity and other credits	\$239,746	\$ 71,067	\$94,425	\$479,998	\$428,809
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

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

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998 and 1997

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>TOTALS</u>	
			<u>(MEMORANDUM ONLY)</u> <u>1998</u>	<u>1997</u>
<u>REVENUE</u>				
Intergovernmental	\$ 11,779	\$ 390,338	\$ 402,117	\$ 394,955
Contracted services	-	26,493	26,493	38,210
General public	<u>41,499</u>	<u>70,148</u>	<u>111,647</u>	<u>113,193</u>
Total revenue	<u>\$ 53,278</u>	<u>\$ 486,979</u>	<u>\$ 540,257</u>	<u>\$ 546,358</u>
<u>EXPENDITURES</u>				
<u>CURRENT</u>				
Salaries	\$ -	\$ 242,437	\$ 242,437	\$ 236,787
Fringe Benefits	-	21,017	21,017	20,062
Travel	388	15,551	15,939	18,210
Operating services	1,058	66,169	67,227	62,904
Operating supplies	-	20,002	20,002	25,207
Other costs	-	1,200	1,200	4,071
CAPITAL OUTLAY	3,342	-	3,342	8,813
MEALS	-	142,426	142,426	157,121
Total expenditures	<u>\$ 4,788</u>	<u>\$ 508,802</u>	<u>\$ 513,590</u>	<u>\$ 533,175</u>
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>	<u>\$ 48,490</u>	<u>\$ (21,823)</u>	<u>\$ 26,667</u>	<u>\$ 13,183</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers in	\$ -	\$ 114,025	\$ 114,025	\$ 110,768
Operating transfers out	<u>(27,422)</u>	<u>(86,603)</u>	<u>(114,025)</u>	<u>(110,768)</u>
Total other sources (uses)	<u>\$(27,422)</u>	<u>\$ 27,422</u>	<u>\$ -</u>	<u>\$ -</u>
<u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</u>	<u>\$ 21,068</u>	<u>\$ 5,599</u>	<u>\$ 26,667</u>	<u>\$ 13,183</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>218,678</u>	<u>65,468</u>	<u>284,146</u>	<u>270,963</u>
End of year	<u>\$239,746</u> =====	<u>\$ 71,067</u> =====	<u>\$ 310,813</u> =====	<u>\$ 284,146</u> =====

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - ALL GOVERNMENTAL FUND TYPES

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUE</u>						
Intergovernmental	\$ 11,779	\$ 11,779	\$ -	\$ 409,622	\$ 390,338	\$ (19,284)
Contracted services	-	-	-	33,550	26,493	(7,057)
Miscellaneous	24,100	41,499	17,399	72,583	70,148	(2,435)
Total revenue	\$ 35,879	\$ 53,278	\$17,399	\$ 515,755	\$ 486,979	\$ (28,776)
<u>EXPENDITURES</u>						
<u>CURRENT</u>						
Salaries	\$ -	\$ -	\$ -	\$ 248,477	\$ 242,437	\$ 6,040
Fringe Benefits	-	-	-	23,417	21,017	2,400
Travel	1,000	388	612	17,829	15,551	2,278
Operating services	3,407	1,058	2,349	58,623	66,169	(7,546)
Operating supplies	2,000	-	2,000	24,414	20,002	4,412
Other costs	-	-	-	4,373	1,200	3,173
CAPITAL OUTLAY	3,270	3,342	(72)	-	-	-
MEALS	1,200	-	1,200	149,040	142,426	6,614
Total expenditures	\$ 10,877	\$ 4,788	\$ 6,089	\$ 526,173	\$ 508,802	\$ 17,371
<u>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</u>						
	\$ 25,002	\$ 48,490	\$23,488	\$ (10,418)	\$ (21,823)	\$ (11,405)
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating transfers in	\$ -	\$ -	\$ -	\$ 120,570	\$ 114,025	\$ (6,545)
Operating transfers out	(19,150)	(27,422)	(8,272)	(95,875)	(86,603)	9,272
Total other sources (uses)	\$ (19,150)	\$ (27,422)	\$ (8,272)	\$ 24,695	\$ 27,422	\$ 2,727
<u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER SOURCES OVER EXPENDI- TURES AND OTHER (USES)</u>						
	\$ 5,852	\$ 21,068	\$15,216	\$ 14,277	\$ 5,599	\$ (8,678)
<u>FUND BALANCE</u>						
Beginning of year	218,678	218,678	-	65,468	65,468	-
End of year	\$224,530	\$239,746	\$15,216	\$ 79,745	\$ 71,067	\$ (8,678)
	=====	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity:

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

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

The primary function of the Webster Parish Council on Aging, Inc. is to improve the quality of life for the parish's elderly and to provide services to the elderly as well as coordinate and monitor the services of other local agencies serving the aging people of the parish. Such services include providing meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportaion. A Board of Directors, consisting of 11 voluntary mewmbers who serve three years terms, governs the Council.

B. Presentation of Statements:

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

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

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.

C. Fund Accounting:

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

The governmental funds and programs comprising them as presented in the financial statements are 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.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

Special Revenue Funds - The 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-C Area Agency Administration Fund

The Title III-C Area Agency Administration Fund is used to account for the administration of special programs for the aging.

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.

Title III C-1 Fund

Title III C-1 fund is used to account for funds which are used to provide nutritional, congregate meals to the elderly in strategically located centers.

Title III C-2 Fund

Title III C-2 fund is used to account for funds which are used to provide nutritional home delivered meals to home-bound older persons.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

Title III-B Supportive Services Fund

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

Senior Center Fund

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

Title III-D In-Home Services Fund

The Title III-D In-Home Services 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.

EFSP Fund

The EFSP Fund is used to account for the administration of a Disaster Assistance Program, the purpose of which is to supplement food to individuals who might or might not currently be receiving assistance. EFSP funds are provided by FEMA to the United Way which passes the funds to the Council.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

Helping Hands Fund

The Helping Hands Fund is used to account for the administration of a program that is sponsored by local utility companies. The companies collect contributions from service customers and remits these funds to the LACOA. The LACOA in turn "passes through" these funds to the council to provide utility assistance to the elderly.

Audit Fund

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

U.S.D.A. Fund

The U.S.D.A. Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture through the Louisiana Governor's Office of Elderly Affairs which "passes through" the funds to the Council. This program reimburses the service provider on a per unit basis for each congregate and home-delivered meal served to an eligible participant so that United States food and commodities may be purchased to supplement these programs.

Elderly Waiver Fund

The Elderly Waiver Fund is funded under an agreement with the Louisiana Department of Health and Hospitals. The Elderly Waiver Program provides for case management and home care for the elderly.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

Miscellaneous Grant Fund

Funded by the Governor's Office of Elderly Affairs, this special purpose grant was made to fund additional program expenses relative to Senior Center operations.

Title III-F Fund

The Title III-F Fund is used to account for funds used for disease prevention and health promotion activities including (1) equipment and materials (scales to weigh people, educational materials, and exercise equipment), (2) home injury control, (3) medication management, (4) mental health, (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 under-served and in which there are a large number of older individuals who have the greatest economic and social need.

Title XIX Medicaid Fund

The Title XIX Medicaid Fund is used to account for income derived from the processing of applications under the Medicaid Program.

Springhill Senior Center Fund

The Springhill Senior Center fund is used to account for funds raising activities that are devoted to the renovation and/or building of a new Senior Center located in Springhill.

D. Account Groups:

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

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

General Fixed Assets

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

E. Basis of Accounting:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

F. Transfers and Interfund Loans:

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

G. Budget Policy:

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

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

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

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.
7. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.
8. Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
9. 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.
10. Expenditures cannot legally exceed appropriations on an individual fund level.

H. Comparative Data:

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

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

since their inclusion would make the statements unduly complex and difficult to read. Total columns on the combined financial 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.

I. Fixed Assets, Including Property Leased Under Capital Leases:

Assets which cost at least \$250 and which have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost, 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.

All fixed assets are stated at historical cost. No depreciation has been provided on general fixed assets.

The Council has classified its fixed assets as follows:

	Balance <u>6/30/98</u>
Automotive equipment	\$ 33,966
Furniture and equipment	26,637
Recreation equipment	18,999
Other equipment	<u>14,823</u>
Total	\$ 94,425 =====

K. Related Party Transactions:

During the fiscal year, the Council purchased coffee and related supplies from a company owned by the Executive Director's son. The purchases were based on a low bid proposal submitted by the company and all billings were paid prior to year end.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

L. 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.

M. Reservation and Designations of Fund Balances:

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

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

N. Prepaid Expenses:

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

O. Management's Use of Estimates:

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

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

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.

Public Support and Miscellaneous Revenues

The Council encourages and receives contributions from clients to help offset the costs of the Title III-B, C-1, C-2 and D programs. 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.

NOTE 3. CASH IN BANK

At June 30, 1998, the carrying amount of the Council's deposits was as follows:

Payroll - checking	\$(3,042)
Operating - checking	4,284
Money market savings	246,404
Springhill Senior Center savings	2,366
Certificates of deposit	<u>60,000</u>
 Cash on deposit in banks	 \$310,012 =====

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

At June 30, 1998, the collected deposits held by the banks was \$335,562. Of that amount, \$235,562 is classified as credit risk Category 3. The bank has pledged additional collateral in the name of the Council for the amount over the FDIC limit and these securities are held at the Federal Reserve Bank. However, it is the opinion of the Governmental Accounting Standards Board (GASB) that if the agreement between the Bank and the Council is not in writing and approved by the Bank's Board of Directors, then the government may not be in compliance with the Financial Institution's Reform, Recovery and Enforcement Act of 1989 which discusses the depositor's rights to collateral. GASB states that the collateral described above should be classified as Category 3. This is the case with Webster Parish Council. The following are descriptions of the three risk categories:

- (1) Category 1 - Insured or collateralized with securities held by the entity or by its agent in the entity's name.
- (2) Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.
- (3) Category 3 - Uncollateralized, including securities held by the pledging financial institution, or by its trust department or agent but not in the entity's name or those types of securities as described above.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 1998, consists of the following special revenue programs

	<u>Funding Agency</u>	<u>Amount</u>
USDA	GOEA	<u>\$ 6,521</u>

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

NOTE 5. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets.

	Balance 6/30/97	Additions	and Deletions	Balance 6/30/98
Furniture & Equipment	\$23,295	\$ 3,342	\$ -	\$26,637
Recreation equipment	18,999	-	-	18,999
Automotive equipment	\$33,966	-	-	33,966
Other equipment	<u>14,823</u>	<u>-</u>	<u>-</u>	<u>14,823</u>
 Total General Fixed Assets	 <u>\$91,083</u>	 <u>\$ 3,342</u>	 <u>\$ -</u>	 <u>\$94,425</u>

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 travel expenses incurred in accordance with the Council's travel policies.

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.

NOTE 8. JUDGMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

There is no litigation pending against the Council at June 30, 1998. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

The Council receives revenue 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 grantor 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.

NOTES TO FINANCIAL STATEMENTS

Webster Parish Council on Aging, Inc.
Minden, Louisiana
June 30, 1998
(Continued)

NOTE 9. FEDERALLY ASSISTED PROGRAMS

The Council participates in a number of federally assisted programs. These programs are audited in accordance with the Single Audit Act Amendments of 1996. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, the Council's management believes that further examinations would not result in any significant disallowed costs.

NOTE 10. 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 11. INTERFUND TRANSFERS

Operating transfers in and out are listed by fund for 1998:

	<u>Transferred in</u>		<u>Funds Transferred Out</u>					
	<u>Local</u>	<u>Special</u>			<u>Miles</u>	<u>Senior</u>	<u>Title</u>	
	<u>Funds</u>	<u>Grant</u>	<u>Act 735</u>	<u>USDA</u>	<u>For</u>	<u>Center</u>	<u>XIX</u>	<u>Total</u>
					<u>Meals</u>			
III B Services Area Agency	3,174	-	1,116	-	-	41,293	-	45,583
Admin	-	-	1,525	-	-	-	-	1,525
C-1	-	1,790	1,550	32,205	-	-	-	35,545
C-2	5,000	-	3,936	3,887	3,277	-	-	16,100
III B Ombuds	-	-	27	-	-	-	-	27
EFSP	1	-	-	-	-	-	-	1
IIID	-	2,710	-	-	-	-	-	2,710
Elderly Waiver	10,470	-	588	-	-	-	1,441	12,499
IIIF	-	-	35	-	-	-	-	35
Total	<u>18,645</u>	<u>4,500</u>	<u>8,777</u>	<u>36,092</u>	<u>3,277</u>	<u>41,293</u>	<u>1,441</u>	<u>114,025</u>

COMBINING STATEMENT OF PROGRAM REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES

GENERAL FUND

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

	<u>LOCAL</u>	<u>ACT 735</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Intergovernmental:			
Governor's Office of Elderly Affairs	\$ -	\$ 11,779	\$ 11,779
Public Support:			
Contracted Services	-	-	-
General Public	<u>41,499</u>	<u>-</u>	<u>41,499</u>
Total revenue	<u>\$41,499</u>	<u>\$ 11,779</u>	<u>\$ 53,278</u>
<u>EXPENDITURES</u>			
<u>CURRENT</u>			
Salaries	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-
Travel	328	60	388
Operating services	1,058	-	1,058
Operating supplies	-	-	-
Other costs	-	-	-
<u>CAPITAL OUTLAY</u>	<u>400</u>	<u>2,942</u>	<u>3,342</u>
Total Administration And Capital Outlay Expenditures	<u>\$ 1,786</u>	<u>\$ 3,002</u>	<u>\$ 4,788</u>
<u>MEALS PROGRAMS</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,786</u>	<u>\$ 3,002</u>	<u>\$ 4,788</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$39,713</u>	<u>\$ 8,777</u>	<u>\$ 48,490</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	\$ -	\$ -	\$ -
Operating transfers out	<u>(18,645)</u>	<u>(8,777)</u>	<u>(27,422)</u>
Total other sources (uses)	<u>(18,645)</u>	<u>\$ (8,777)</u>	<u>(27,422)</u>
<u>EXCESS (DEFICIENCY OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>\$21,068</u>	<u>\$ -</u>	<u>\$21,068</u>
<u>FUND BALANCES</u>			
Beginning of year	<u>\$218,678</u>	<u>\$ -</u>	<u>\$218,678</u>
End of year	<u>\$239,746</u> =====	<u>\$ -</u> =====	<u>\$239,746</u> =====

TITLE III-D IN-HOME SERVICES	HELPING HANDS	AUDIT	USDA	ELDERLY WAIVER	MISC. GRANT	TITLE III-F	MILES FOR MEALS	TITLE XIX MEDICAID	SPRINGHILL SENIOR CENTER	TOTALS
\$ 3,082	\$ -	\$ 2,535	\$39,141	\$ -	\$4,500	\$3,780	\$ -	\$ -	\$ -	\$ 390,338
-	-	-	-	25,052	-	-	-	1,441	-	26,493
2,837	2,763	-	-	-	-	-	4,383	-	2,330	\$ 70,148
<u>\$ 5,919</u>	<u>\$2,763</u>	<u>\$2,535</u>	<u>\$39,141</u>	<u>\$25,052</u>	<u>\$4,500</u>	<u>\$3,780</u>	<u>\$4,383</u>	<u>\$1,441</u>	<u>\$2,330</u>	<u>\$ 486,979</u>
\$ 6,476	\$ -	\$ -	\$ -	\$32,588	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 242,437
509	-	-	-	2,936	-	-	-	-	-	21,017
411	-	-	-	1,105	-	-	-	-	-	15,551
1,189	-	2,535	-	788	-	3,815	1,106	-	-	66,169
44	2,543	-	-	134	-	-	-	-	-	20,002
-	-	-	-	-	-	-	-	-	-	1,200
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 8,629</u>	<u>\$2,543</u>	<u>\$2,535</u>	<u>\$ -</u>	<u>\$37,551</u>	<u>\$ -</u>	<u>\$3,815</u>	<u>\$1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,376</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 142,426
<u>\$ 8,629</u>	<u>\$2,543</u>	<u>\$2,535</u>	<u>\$ -</u>	<u>\$37,551</u>	<u>\$ -</u>	<u>\$3,815</u>	<u>\$1,106</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 508,802</u>
<u>\$(2,710)</u>	<u>\$ 220</u>	<u>\$ -</u>	<u>\$39,141</u>	<u>(12,499)</u>	<u>\$4,500</u>	<u>\$ (35)</u>	<u>\$3,277</u>	<u>\$1,441</u>	<u>\$2,330</u>	<u>\$ (21,823)</u>
\$ 2,710	\$ -	\$ -	\$ -	\$12,499	\$ -	\$ 35	\$ -	\$ -	\$ -	\$ 114,025
-	-	-	(36,092)	-	(4,500)	-	(3,277)	(1,441)	-	(86,603)
<u>\$ 2,710</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(36,092)</u>	<u>\$12,499</u>	<u>(4,500)</u>	<u>\$ 35</u>	<u>(3,277)</u>	<u>(1,441)</u>	<u>\$ -</u>	<u>\$ 27,422</u>
\$ -	\$ 220	\$ -	\$ 3,049	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,330	\$ 5,599
-	2,546	-	18,446	33,408	-	\$ -	\$ -	\$5,037	-	\$ 65,468
\$ -	\$2,766	\$ -	\$21,495	\$33,408	\$ -	\$ -	\$ -	\$5,037	\$2,330	\$ 71,067
=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>GENERAL FUND</u>			
Travel	\$ 600	\$ 328	\$ 272
Operating service	1,757	1,058	699
Operating supplies	1,200	-	1,200
Capital outlay	400	400	-
Transfers			
Area Agency Admin	3	-	3
III D	6,403	-	6,403
Elderly waiver	1,291	10,470	(9,179)
IIIB service	6,334	3,174	3,160
EFSP	-	1	(1)
IIIC-2	-	5,000	(5,000)
Ombudsman	260	-	260
Total	\$ 18,248 =====	\$ 20,431 =====	\$ (2,183) =====
<u>State Of Louisiana - Act 735</u>			
Salaries	\$ 400	\$ 60	\$ 340
Travel	1,650	-	1,650
Operating services	2,000	-	2,000
Capital outlay	2,870	2,942	(72)
Transfers			
Ombudsman	-	27	(27)
III F	-	35	(35)
IIIC-1	-	1,549	(1,549)
IIIC-2	-	3,936	(3,936)
Area Agency Administration	-	1,525	(1,525)
III B Services	4,859	1,116	3,743
Medicaid Waiver	-	589	(589)
Total	\$ 11,779 =====	\$ 11,779 =====	\$ - =====
<u>TITLE III-C ADMINISTRATION</u>			
Salaries	\$ 14,088	\$ 15,847	\$ (1,759)
Fringe	1,364	532	832
Travel	80	99	(19)
Operating services	4,930	5,418	(488)
Operating supplies	642	923	(281)
Other costs	192	-	192
Total	\$ 21,296 =====	\$ 22,819 =====	\$ (1,523) =====
<u>TITLE III-B OMBUDSMAN</u>			
Salaries	\$ 4,723	\$ 4,623	\$ 100
Fringe	455	347	108
Travel	306	305	1
Operating services	837	836	1
Operating supplies	47	38	9
Other costs	14	-	14
Total	\$ 6,382 =====	\$ 6,149 =====	\$ 233 =====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

	<u>BUDGETED EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>TITLE IIIC-1 Congragate meals</u>			
Salaries	\$ 52,323	\$ 50,510	\$ 1,813
Fringe	5,044	4,192	852
Travel	384	236	148
Operating services	11,081	9,878	1,203
Operating supplies	4,668	3,892	776
Meals	72,000	67,846	4,154
Other costs	321	600	(279)
Total	\$ 145,821 =====	\$ 137,154 =====	\$ 8,667 =====
<u>TITLE IIIC-2 Home Delivered</u>			
Salaries	\$ 39,227	\$ 36,056	\$ 3,171
Fringe	3,784	2,242	1,542
Travel	9,129	7,897	1,232
Operating services	10,176	9,396	780
Operating supplies	1,031	976	55
Meals	77,040	74,579	2,461
Other costs	309	600	(291)
Total	\$ 140,696 =====	\$ 131,746 =====	\$ 8,950 =====
<u>TITLE III-B SUPPORTIVE SERVICES</u>			
Salaries	\$ 102,323	\$ 96,337	\$ 5,986
Fringe	9,850	10,258	(408)
Travel	6,362	5,498	864
Operating services	26,896	31,210	(4,314)
Operating supplies	9,034	9,451	(417)
Other costs	3,514	-	3,514
Total	\$ 157,979 =====	\$ 152,754 =====	\$ 5,225 =====
<u>SENIOR CENTER</u>			
Transfer to IIIB Service	\$ 41,293	\$ 41,293	\$ -
Total	\$ 41,293 =====	\$ 41,293 =====	\$ - =====
<u>TITLE III-D IN-HOME SERVICES</u>			
Salaries	\$ 7,793	\$ 6,476	\$ 1,317
Fringe	750	509	241
Travel	610	411	199
Operating services	1,430	1,190	240
Operating supplies	78	44	34
Other costs	23	-	23
Total	\$ 10,684 =====	\$ 8,630 =====	\$ 2,054 =====

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

<u>AUDIT ALLOTMENT</u>			
Operating services	\$ 2,535	\$ 2,535	\$ -
Total	\$ 2,535	\$ 2,535	\$ -
=====			
<u>USDA</u>			
Transfers to Title III C-1	\$ 40,707	\$ 32,205	\$ 8,502
Transfers to Title III C-2	3,442	3,887	(445)
Total	\$ 44,149	\$ 36,092	\$ 8,057
=====			
<u>ELDERLY WAIVER</u>			
Salaries	\$ 28,000	\$ 32,588	\$ (4,588)
Fringe	2,170	2,936	(766)
Travel	958	1,106	(148)
Operating services	738	788	(50)
Operating supplies	134	134	-
Total	\$ 32,000	\$ 37,552	\$ (5,552)
<u>TITLE XIX MEDICAID</u>			
Transfer to General Fund	\$ 1,550	\$ -	\$ 1,550
Transfers to Title III C-2	-	1,441	(1,441)
Total	\$ 1,550	\$ 1,441	\$ 109
=====			
<u>MISCELLANEOUS</u>			
Transfer to III-D	\$ 4,500	\$ 4,500	\$ -
Total	\$ 4,500	\$ 4,500	\$ -
=====			
<u>TITLE III-F</u>			
Operating services	\$ 3,780	\$ 3,815	\$ (35)
Total	\$ 3,780	\$ 3,815	\$ (35)
=====			
<u>EFSP</u>			
Operating services	\$ 2,000	\$ 2,001	\$ (1)
Total	\$ 2,000	\$ 2,001	\$ (1)
=====			
<u>HELPING HANDS</u>			
Operating supplies	\$ 2,000	\$ 2,001	\$ (1)
Total	\$ 2,000	\$ 2,001	\$ (1)
=====			

STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

MILES FOR MEALS

Operating services	\$ -	\$ 1,106	\$ (1,106)
Transfers to Title III C-2	<u>4,383</u>	<u>3,277</u>	<u>1,106</u>
Total	\$ <u>4,383</u> =====	\$ <u>4,383</u> =====	\$ - =====

SPRINGHILL SENIOR CENTER

Total	\$ - =====	\$ - =====	\$ - =====
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SCHEDULE 4
SCHEDULE OF PRIORITY SERVICES
TITLE III, PART B - GRANT FOR SUPPORTIVE SERVICES

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

%GOEA
GRANT

ACCESS (30%)	Assisted Transportation	\$ -	
	Case Management	494	
	Transportation	20,627	
	Information & Assistance	-	
	Outreach	<u>2,924</u>	
	Total Access Expenses	\$ <u>24,045</u>	34.72%
IN-HOME (15%)	Homemaker	\$ 52,287	
	Chore	-	
	Telephoning	-	
	Visiting	-	
	Adult/Daycare/Health	-	
	Personal Care	<u>-</u>	
	Total In-Home Expenses	\$ <u>52,287</u>	75.50%
LEGAL (5%)	Legal Assistance	\$ <u>3,174</u>	4.59%
NON PRIORITY SERVICES		\$ <u>73,247</u>	
TOTAL III B-SUPPORTIVE SERVICE EXPENDITURES		\$ 152,753	
Less:	Participant Contributions	(13,946)	
	Public Support	-	
	Transfers In	<u>(45,583)</u>	
III B SUPPORTIVE SERVICES GRANT		\$ 93,224	
Less:	State Homemaker and		
	State Transportation	(23,966)	
Original Grant Amount		\$ 69,258	
		=====	

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

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

	Balance			Balance
	June 30, 1997	Additions	Deletions	June 30, 1998
GENERAL FIXED ASSETS				
Automotive	\$33,966	\$ -	\$ -	\$ 33,966
Furniture/office equipment	23,295	3,342	-	26,637
Recreation equipment	18,999	-	-	18,999
Other equipment	<u>14,823</u>	<u>-</u>	<u>-</u>	<u>14,823</u>
Totals	\$91,083	\$ 3,342	\$ -	\$ 94,425
	=====	=====	=====	=====
 INVESTMENT IN GENERAL "FIXED ASSETS"				
PROPERTY ACQUIRED WITH FUNDS FROM				
Property acquired prior to 7/1/85	\$ 2,325	\$ -	\$ -	\$ 2,325
State of Louisiana-Act 735	22,665	2,942	-	25,607
Local	50,883	400	-	51,283
Senior Center	3,385	-	-	3,385
Title XX	292	-	-	292
Title III-B	6,230	-	-	6,230
Title III-F	2,569	-	-	2,569
Bell South Grant	550	-	-	550
Title III- C2	1,346	-	-	1,346
III C-1	<u>838</u>	<u>-</u>	<u>-</u>	<u>838</u>
Totals	\$91,003	\$ 3,342	\$ -	\$94,425
	=====	=====	=====	=====

STATEMENT OF FINDINGS AND QUESTIONED COSTS

Webster Parish Council on Aging, Inc.
 Minden, Louisiana
 Year Ended June 30, 1998

SECTION I - SUMMARY OF AUDITOR'S REPORTS

Financial Statements:

Type of Auditor's Report Issued	Unqualified
Internal Control Over Financial Reporting:	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None
Reported	
Non-Compliance Material to Financial Statements Noted	No

Federal Awards

Internal Control Over Major Programs:	
Material Weakness Identified	No
Reportable Conditions Identified Not Considered to be Material Weaknesses	None
Reported	

Type of Auditor's Report Issued on Compliance for Major Programs	Unqualified
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Any Audit Findings Disclosed that are Required to be Reported in Accordance With Circular A-133, Section .510(a)	No
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Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.044	Special Programs-Elderly III B
93.045	Special Programs-Elderly III C

Dollar Threshold to Distinguish Between Type A and Type B Programs	50 %
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Auditee Qualified as Low-Risk Auditee?	Yes
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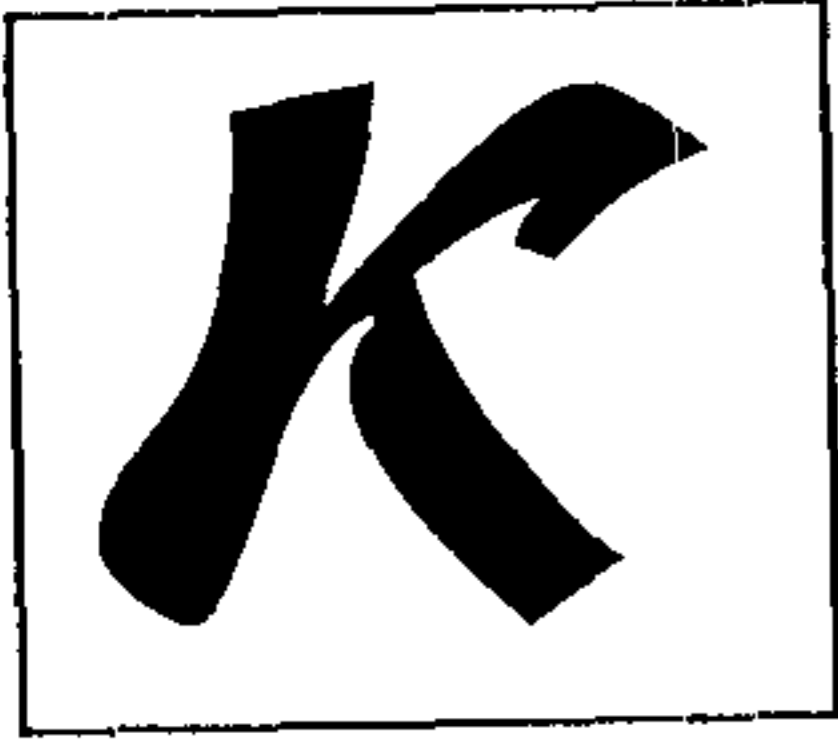
SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SINGLE AUDIT SECTION



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

October 29, 1998

INDEPENDENT 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

To the Board of Directors
Webster Parish Council on Aging, Inc.
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Council on Aging, Inc., as of and for the year ended June 30, 1998, and have issued my report thereon dated October 29, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Council's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

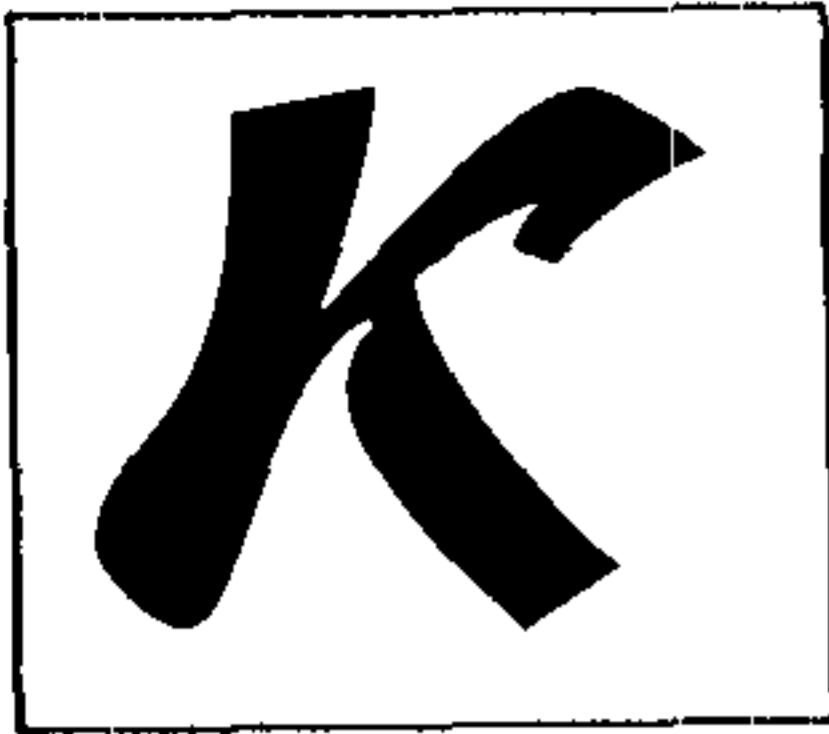
In planning and performing my audit, I considered the Council's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee,

management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar
Certified Public Accountant



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

October 29, 1998

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

To the Board of Directors
Webster Parish Council on Aging, Inc.
Minden, Louisiana

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

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

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

Internal Control Over Compliance

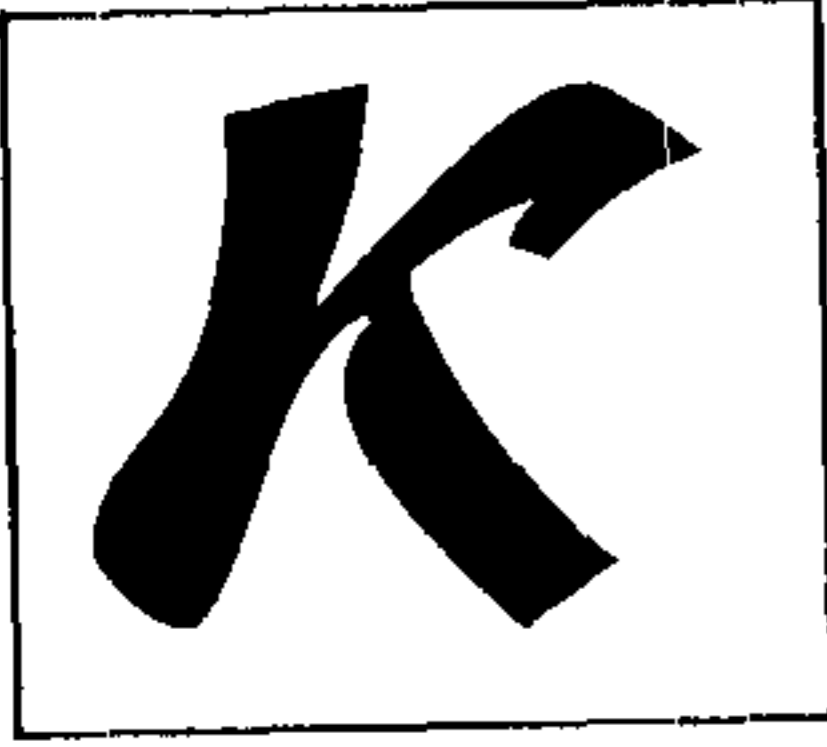
The management of the Webster Parish Council on Aging, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Council's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

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

This report is intended for the information of the audit committee, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Roland D. Kraushaar
Certified Public Accountant



Roland D. Kraushaar
Certified Public Accountant

1406 Texas Avenue Alexandria, LA 71301
Post Office Box 12538 Alexandria, LA 71315

October 29, 1998


INDEPENDENT AUDITOR'S REPORT ON
SCHEDULE OF FEDERAL AWARDS

Board of Directors
Webster Parish Council on Aging, Inc.
Minden, Louisiana

I have audited the general purpose financial statements of the Webster Parish Council on Aging, Inc., as of and for the year ended June 30, 1998, and have issued my report thereon dated October 29, 1998. These general purpose financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

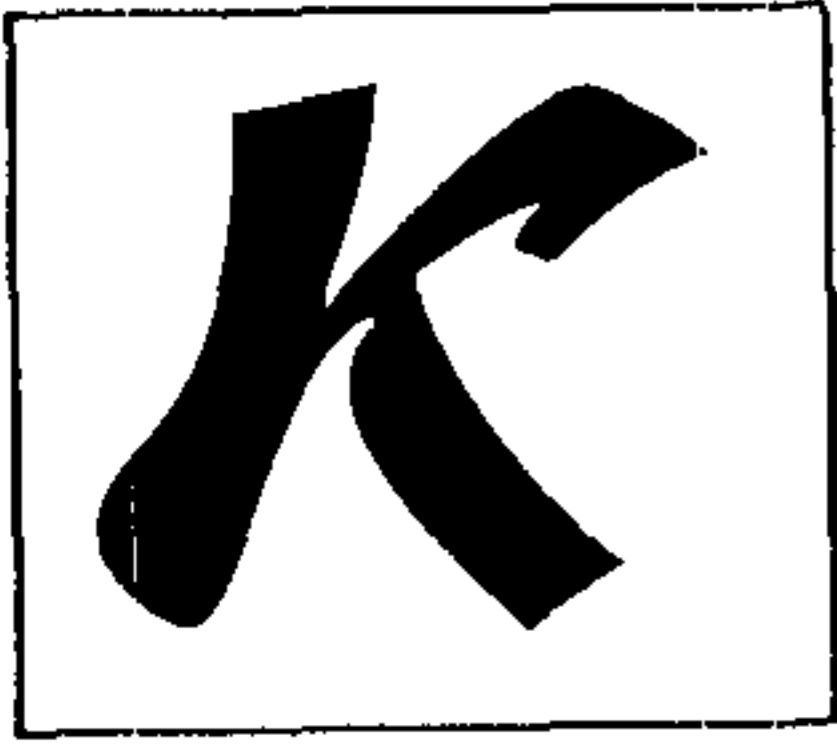
My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Webster Parish Council on Aging, Inc., taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.


Roland D. Kraushaar
Certified Public Accountant

SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Webster Parish Council on Aging, Inc.
Minden, Louisiana
Year Ended June 30, 1998

<u>FEDERAL GRANTOR/PASS THROUGH GRANTORS/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
<u>Department of Health & Human Services</u>				
Passed through Louisiana Governor's Office of Elderly Affairs				
Special Programs for the Elderly:				
Title III-B Grant For Supportive Services & Senior Centers	93.044	\$ 69,258	\$ 69,258	\$ 69,258
Title III-B (Ombudsman)	93.044	6,122	6,122	6,122
Subtotal - CFDA #93.044		<u>75,380</u>	<u>75,380</u>	<u>75,380</u>
Title III Part C-Area Agency Admin	93.045	15,920	15,920	15,920
Title III Part C-1 Nutrition Congregate Meals	93.045	38,611	38,611	38,611
Title III Part C-2 Nutrition Home Delivered Meals	93.045	30,033	30,033	30,033
Subtotal - CFDA #93.045		<u>84,564</u>	<u>84,564</u>	<u>84,564</u>
Title III Part D In-Home Services For Frail Older Individuals	93.046	2,620	2,620	2,620
Title III Part F Disease Prevention And Health Promotion	93.043	3,213	3,213	3,213
Totals for U.S. Department Of Health & Human Services		<u>\$ 165,777</u>	<u>\$ 165,777</u>	<u>\$ 165,777</u>
<u>Department of Agriculture</u>				
Passed Through the Governor's Office Of Elderly Affairs				
Nutrition Programs For the Elderly	10.570	58,425	39,141	36,092
Total Federal Grants		<u>\$ 224,202</u> =====	<u>\$ 204,918</u> =====	<u>\$ 201,869</u> =====



Roland D. Kraushaar

Certified Public Accountant

1406 Texas Avenue
Post Office Box 12538

Alexandria, LA 71301
Alexandria, LA 71315

February 22, 1999

Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sir:

As requested by your letter of February 9, 1999 regarding my audit on the Webster Parish Council on Aging, Inc. for the year ended June 30, 1998 please consider the following:

FINDING OF NON-COMPLIANCE: The Council failed to submit the completed audit report within six months of the fiscal year end as required by the Louisiana Revised Statutes (R.S. 24:513).

REASON FOR FAILURE TO SUBMIT TIMELY: The delay in issuance of the report was caused solely by personnel problems within the auditing firm and was in no way the fault of the Webster Parish Council on Aging.

STATEMENT OF FACTS: The following timeline supports the above cause for delay:

1. Fieldwork for the audit was conducted during the final two weeks of July, 1998.
2. Additional information regarding the accrual of receivables for the fiscal year was obtained during the month of August and final journal entries were prepared.
3. A draft report was prepared and the exit conference was held with the Board of Directors on October 29, 1998.
4. On November 2, 1998 the auditor's administrative staff unexpectedly resigned and, in the resulting confusion, final production of the report was overlooked.
5. Additional support staff was hired and the report

was finally issued in January, 1999.

MANAGEMENT'S CORRECTIVE ACTION PLAN: The Council will require that a completed audit report be issued no later than November 15th of each year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'RDK', with a long horizontal stroke extending to the right.

Roland D. Kraushaar,
Certified Public Accountant