

OFFICE OF THE LEGISLATIVE AUDITOR
Baton Rouge, Louisiana

BOSSIER COUNCIL ON AGING, INC.
Bossier City, Louisiana

FINANCIAL STATEMENTS

June 30, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6.2.04



Certified Public Accountants • Management Consultants • Business Advisors

05/26/04 11:15

May 24, 2004

Mr. Grover Austin, CPA
First Assistant Legislative Auditor, State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

Enclosed is a reissued audit report for the Bossier Council on Aging, Inc. for the fiscal year July 1, 2002 to June 30, 2003.

We have reissued the report to agree the financial statements to amounts reported by the Bossier Council on Aging, Inc. to the Governor's Office of Elderly Affairs. We believe the changes in our report to be immaterial but have adjusted our report at the request of the Governor's Office of Elderly Affairs.

Specifically, we have changed the source classification of fixed assets on Schedule 7, page 22 and reclassified an operating transfer out of the NSIP Fund in the amount of \$3,080 as an amount Due From the General Fund.

If you have any questions concerning this matter, please contact us at your earliest convenience.

Sincerely yours,

A handwritten signature in black ink that reads 'William E. Weatherford'.

William E. Weatherford, CPA
Audit Manager

Enclosures

BOSSIER COUNCIL ON AGING, INC.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bossier Council on Aging, Inc.
Bossier City, Louisiana

We have audited the accompanying general purpose financial statements of the Bossier Council on Aging, Inc., as of June 30, 2003, and for the year ended, as listed in the accompanying table of contents. 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Bossier Council on Aging, Inc., as of June 30, 2003, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2003, on our consideration of the Bossier Council on Aging, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an internal part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Bossier 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 presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

Smith Pugh & Company, LLP

Certified Public Accountants
Shreveport, Louisiana

September 24, 2003

BOSSIER COUNCIL ON AGING, INC.

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 2003

With Comparative Totals for the Year Ended June 30, 2002

| | Governmental | | | Totals | | |
|--|------------------|------------------|----------------------|------------------------|-------------------|-------------------|
| | Fund Types | | Account Groups | (Memorandum Only) | | |
| | General | Special Revenue | General Fixed Assets | General Long-Term Debt | 2003 | 2002 |
| <u>Assets</u> | | | | | | |
| Cash | \$ 66,719 | \$ 1,393 | \$ - | \$ - | \$ 68,112 | \$ 37,429 |
| Certificates of deposit | - | - | - | - | - | 25,000 |
| Grants receivable, net allowance of \$3,500 | - | 17,658 | - | - | 17,658 | 20,292 |
| Due from other funds | 369 | 15,043 | - | - | 15,412 | 31,998 |
| Fixed assets | - | - | 204,538 | - | 204,538 | 179,951 |
| Amount to be provided to retire long-term debt | - | - | - | 30,409 | 30,409 | 18,819 |
| Deposits | 300 | - | - | - | 300 | 300 |
| Total assets | \$ 67,388 | \$ 34,094 | \$ 204,538 | \$ 30,409 | \$ 336,429 | \$ 313,789 |
| <u>Liabilities</u> | | | | | | |
| Accounts payable | \$ 9,098 | - | - | - | \$ 9,098 | \$ 12,478 |
| Due to other funds | 14,772 | 640 | - | - | 15,412 | 31,998 |
| Accrued salaries and wages | 15,055 | - | - | - | 15,055 | 11,914 |
| Long-term debt: | | | | | | |
| Accumulated unpaid vacation | - | - | - | 8,316 | 8,316 | 6,833 |
| Note payable | - | - | - | 22,093 | 22,093 | 11,986 |
| Total liabilities | 38,925 | 640 | - | 30,409 | 69,974 | 75,209 |
| <u>Fund Equity</u> | | | | | | |
| Fund balances: | | | | | | |
| Unreserved | 28,463 | 33,454 | - | - | 61,917 | 58,629 |
| Investment in general fixed assets | - | - | 204,538 | - | 204,538 | 179,951 |
| Total fund equity | 28,463 | 33,454 | 204,538 | - | 266,455 | 238,580 |
| Total liabilities and fund equity | \$ 67,388 | \$ 34,094 | \$ 204,538 | \$ 30,409 | \$ 336,429 | \$ 313,789 |

The accompanying notes are an integral part of these financial statements.

BOSSLER COUNCIL ON AGING, INC.

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 2003**

| | <u>General</u> | <u>Special Revenue</u> | <u>Total (Memorandum Only)</u> |
|---|------------------|----------------------------|--|
| Revenues: | | | |
| Intergovernmental | \$ 192,695 | \$ 487,187 | \$ 679,882 |
| Public support | - | 41,753 | 41,753 |
| Miscellaneous | 97,683 | - | 97,683 |
| Total revenues | <u>290,378</u> | <u>528,940</u> | <u>819,318</u> |
| Expenditures: | | | |
| Personnel | 34,136 | 359,574 | 393,710 |
| Pringe | 2,984 | 31,263 | 34,247 |
| Travel | 4,548 | 16,220 | 20,768 |
| Operating services | 63,508 | 54,375 | 117,883 |
| Operating supplies | 22,387 | 57,673 | 80,060 |
| Meals | - | 127,160 | 127,160 |
| Other costs | 6,807 | 9,640 | 16,447 |
| Capital outlay | 34,701 | 7,924 | 42,625 |
| Total expenditures | <u>169,071</u> | <u>663,829</u> | <u>832,900</u> |
| Excess (deficiency) of revenues over expenditures | <u>121,307</u> | <u>(134,889)</u> | <u>(13,582)</u> |
| Other financing sources (uses): | | | |
| Proceeds from debt | 16,870 | - | 16,870 |
| Operating transfers in | - | 190,182 | 190,182 |
| Operating transfers out | (120,930) | (69,252) | (190,182) |
| Total other financing sources (uses) | <u>(104,060)</u> | <u>120,930</u> | <u>16,870</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 17,247 | (13,959) | 3,288 |
| Fund balance at beginning of year | 11,216 | 47,413 | 58,629 |
| Fund balance at end of year | <u>\$ 28,463</u> | <u>\$ 33,454</u> | <u>\$ 61,917</u> |

The accompanying notes are an integral part of these financial statements.

BOSSIER COUNCIL ON AGING, INC.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual - Special Revenue Fund Types
For the Year Ended June 30, 2003

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|------------------|------------------|--|
| Revenues: | | | |
| Intergovernmental | \$ 483,151 | \$ 487,182 | \$ 4,031 |
| Public support | 37,000 | 41,758 | 4,758 |
| Total revenues | 520,151 | 528,940 | 8,789 |
| Expenditures: | | | |
| Personnel | 333,086 | 359,574 | (26,488) |
| Fringe | 31,000 | 31,263 | (263) |
| Travel | 14,001 | 16,220 | (2,219) |
| Operating services | 51,577 | 54,375 | (2,798) |
| Operating supplies | 35,316 | 57,673 | (22,357) |
| Meals | 141,048 | 127,160 | 13,888 |
| Other costs | 7,340 | 9,640 | (2,300) |
| Capital outlay | 16,682 | 7,924 | 8,758 |
| Total expenditures | 630,050 | 663,829 | (33,779) |
| Excess (deficiency) of revenues over expenditures | (109,899) | (134,889) | (24,990) |
| Other financing sources (uses): | | | |
| Operating transfers in | 171,314 | 190,182 | 18,868 |
| Operating transfers out | (61,415) | (69,252) | (7,837) |
| Total other financing sources (uses) | 109,899 | 120,930 | 11,031 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | - | (13,959) | (13,959) |
| Fund balance at beginning of year | 35,015 | 47,413 | 12,398 |
| Fund balance at end of year | \$ 35,015 | \$ 33,454 | \$ (1,561) |

The accompanying notes are an integral part of these financial statements.

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

1. Summary of Significant Accounting Policies:

- A. Reporting Entity - In 1964, the State of Louisiana passed Act 456, which authorized the charter of voluntary councils on aging for the welfare of the aging people in their representative parishes. Charters are issued by the Louisiana Secretary of State upon approval by the Governor's Office of Elderly Affairs. The Bossier Council on Aging, Inc. is a non-profit corporation which must comply with the policies and regulations established by the Governor's Office of Elderly Affairs, the state agency which provides the Council with most of its revenues. Other entities that provide the Council with federal, state, or local funds may impose some additional requirements.

The primary function of the Bossier 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. Some of the services provided by the Council include congregate and home delivered meals, nutritional education, information and referral services, legal assistance, homemaker services, operating senior centers, and transportation. A Board of Directors, consisting of 15 voluntary members who serve three-year terms, governs the Council.

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.

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

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

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

GOVERNMENTAL FUNDS

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.

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements

June 30, 2003

1. Summary of Significant Accounting Policies (Continued):

C. Fund Accounting (Continued)

GOVERNMENTAL FUNDS (CONTINUED)

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 types of programs comprise the Council's General Fund:

Other Local - Revenues, such as, (1) donations from the general public, (2) income from various fund raisers, 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. Also, expenses incurred to produce related program service fees and fund raising 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 Council by the Louisiana Legislature and remitted to the Council via the Governor's Office of Elderly Affairs (GOEA). The Council may use these "Act 735" funds at its discretion provided the program is benefiting people who are at least 60 years old.

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. Most of the Council's special revenue funds are provided by GOEA. The Title III funds are provided by the United States Department of Health and Human Services - Administration on Aging through the Governor's Office of Elderly Affairs which in turn "passes through" the funds to the Council.

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

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 or older.

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. These funds are used to pay for administrative costs associated with the Title III and Senior Center programs.

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

Title III C-2 - Home Delivered Meals Fund - The Title III C-2 Fund is used to account for funds which are used to provide nutritional, home delivered meals to homebound older persons

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

1. Summary of Significant Accounting Policies (Continued):

C. Fund Accounting (Continued)

GOVERNMENTAL FUNDS (CONTINUED)

Title III E Fund – The Title III E Fund is used to account for funds used for the Family Caregiver Support Program which provides multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers.

Title III D Fund - The Title III D 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."

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

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.

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

NSIP Fund - The NSIP (Nutritional Services Incentive Program) Fund is used to account for the administration of the Food Distribution Program funds provided by the United States Department of Agriculture to 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.

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.

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

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 groups are not "funds".

General Fixed Assets - The fixed assets (capital outlays) used in governmental fund type operations of the Bossier Council on Aging, Inc. are accounted for (capitalized) in the General Fixed Assets Account Group and are recorded as expenditures in the government 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 operation. Principal and interest payments on long-term liabilities (bank loans and capital

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

1. Summary of Significant Accounting Policies (Continued):

D. Account Groups (continued)

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.

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

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

1. Principal and interest on long-term debt are recorded when due, and
2. Claims and judgments and compensated absences are recorded as expenditures when paid with expendable available financial resources.

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

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

- G. Budgets and Budgetary Accounting - The Council used the following procedures to derive the budgetary data of 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.
2. 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.
3. The Board of Directors reviews and adopts the budget before May 31 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. There was only one amendment during the year which was effective May 23, 2003.
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 unless they are grant funds from the Governor's Office of Elderly Affairs where the Council would then need to get prior approval. As a part of this grant awards, GOEA requires the Council to amend its budget in cases where actual

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

1. Summary of Significant Accounting Policies (Continued):

G. Budgets and Budgetary Accounting (Continued)

costs for a particular cost category exceeded the budgeted amount by more than 10%. Otherwise, the excess costs could be classified as unauthorized expenditures.

10. Expenditures cannot legally exceed appropriations on an individual fund level.

H. Cash and Cash Equivalents and Investments – For the purposes of the financial statements, cash and cash equivalents include cash and interest bearing demand deposits. Cash and cash equivalents are stated at cost.

Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Time deposits with maturities greater than 90 days are classified as Certificates of Deposit. Under state law, the Agency may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

I. Fixed Assets – Assets which cost at least \$1,000 and have an estimated useful life of greater than 1 year are capitalized as fixed assets. All fixed assets are stated at historical cost or estimated historical cost, if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. No depreciation has been provided on general fixed assets. At June 30, 2003, the balance of General Fixed Assets is as follows:

| | | |
|-------------------------|----|----------------|
| Vehicles | \$ | 192,166 |
| Furniture and equipment | | 12,372 |
| Total | \$ | <u>204,538</u> |

Donated assets represent \$19,206 of the above total.

J. Total Columns of Combined Statements – Overview - Total columns on the combined 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.

K. Comparative Data - Comparative data for the prior year have been presented in the accompanying general purpose financial statements to provide an understanding of changes in the Council's financial position and operations. However, presentation of comparative data by fund types have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

L. Compensated Absences – For governmental fund types, the Council's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. The liability has been determined using the number of vested vacation hours for each employee's current wage rate at the end of the year. An amount is added to this total for social security and Medicare taxes. Accrued vacation benefits will be paid from future years' resources and will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. The Council's sick leave policy does not provide for the vesting of sick leave where payment would have to be made to a terminated employee for any unused portion.

2. Revenue Recognition - Intergovernmental, Public Support and Miscellaneous Revenues:

A. 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

Senior Center, State Allocation (Act 735), Title III-B, C-1, and C-2 funds are received as a monthly allocation of the total grant in advance of the actual expenditures, but are not susceptible to accrual as revenue until the actual expenditures are made. Audit funds are recognized as revenue once the related costs have been incurred, and the grant reimbursement is measurable and available. NSIP program funds

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

2. Revenue Recognition - Intergovernmental, Public Support and Miscellaneous Revenues (Continued):

A. Intergovernmental (Continued)

are earned and become susceptible to accrual based upon the number of units of service provided to program participants and are recorded as revenues at that time.

B. 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, and C-2 programs. In addition, the Bossier Parish Police Jury and the City of Bossier City, Louisiana also provide funds to the Council. The timing and amounts of the receipts of public support and miscellaneous revenues are difficult to predict; therefore, they are not susceptible to accrual and are recorded as revenue in the period received.

3. Cash and Certificates of Deposit:

At June 30, 2003, the book balance of the Council's cash was as follows:

| | Book Balance | Bank Balance |
|------------------------------------|------------------|------------------|
| Cash on hand | \$ 250 | \$ - |
| FEMA account - checking | 1,393 | 1,393 |
| Payroll - checking | 12,883 | 12,890 |
| Operating - checking | 47,025 | 72,116 |
| BCOA - Krews of Elders - checking | 6,361 | 6,611 |
| Personal Care Attendant - checking | 200 | 361 |
| Total deposits | \$ 68,112 | \$ 93,371 |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the related bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

| | |
|--|-----------|
| Amount insured by federal deposit insurance (Category 1) | \$ 93,371 |
|--|-----------|

4. Grants Receivable:

Grants receivable at June 30, 2003, consisted of reimbursements for expenses incurred under the following programs:

| | |
|---|------------------|
| Personal Care Attendant, net allowance of \$3,500 | \$ 8,088 |
| FEMA | 9,570 |
| Total programs | \$ 17,658 |

5. Changes in General Fixed Assets:

| | Balance June 30, 2002 | Additions | Deletions | Balance June 30, 2003 |
|-----------------------------------|--------------------------|------------------|------------------|--------------------------|
| Vehicles | \$ 168,704 | \$ 34,075 | \$ 10,613 | \$ 192,166 |
| Furniture & equipment | 11,247 | 1,125 | - | 12,372 |
| Total general fixed assets | \$ 179,951 | \$ 35,200 | \$ 10,613 | \$ 204,538 |

The Council paid \$6,705 and \$720 on February 19, 2003, for vehicles not delivered by June 30, 2003. These expenditures were classified as capital outlays. Therefore, the total capital outlays will not balance to total general fixed assets additions this fiscal year by the total of these amounts (\$7,425). These vehicles will be added to general fixed assets during the next fiscal year.

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

6. In-Kind Contributions:

The Council received various in-kind contributions during the year. Senior center/meal-site facilities were furnished to the Council without charge for rent and/or utilities. Other in-kind contributions consisted of the time donated by volunteer workers at senior centers and meal sites, as well as free admittance to recreational and entertainment events provided by various businesses and individuals in the parish. Although these contributions have not been reported as revenues, the offsetting expenses have not been incurred thereby producing no effect on the financial statements.

7. Note Payable:

On March 16, 2001, the Council entered into a four-year installment contract with Moffitt Volkswagen, Inc. for the purchase of a 2001 Mazda truck in the amount of \$17,500. The terms of this installment contract requires monthly payments of \$365 with 0% interest.

On August 22, 2002, the Council entered into a five-year installment contract with Toyota Financial Services for the purchase of a 2003 Toyota Corolla in the amount of \$16,870. The terms of this installment contract requires monthly payments of \$332 with 6.75% interest.

The annual requirements to amortize these notes payable as of June 30, 2003, including applicable interest expense of \$2,167, are as follows:

| Year Ending June 30, | Mazda | Toyota |
|-------------------------|----------|-----------|
| 2004 | \$ 4,380 | \$ 3,985 |
| 2005 | 3,276 | 3,985 |
| 2006 | - | 3,985 |
| 2007 | - | 3,985 |
| 2008 | - | 664 |
| Total | \$ 7,656 | \$ 16,604 |

8. Board of Directors' Compensation:

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

9. Income Tax Status:

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

10. Changes in General 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, 2002 | Principal | | Balance June 30, 2003 |
|-----------------------------|-------------------------|-----------|-----------|--------------------------|
| | | Additions | Deletions | |
| Accumulated unpaid vacation | \$ 6,833 | \$ 1,483 | \$ - | \$ 8,316 |
| Note payable - Mazda | 11,986 | - | 4,330 | 7,656 |
| Note payable - Toyota | - | 16,870 | 2,433 | 14,437 |
| Total long-term debt | \$ 18,819 | \$ 18,353 | \$ 6,763 | \$ 30,409 |

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

11. Judgments, Claims, and Similar Contingencies:

There is no litigation pending against the Council at June 30, 2003. Furthermore, the Council's management believes that any potential lawsuits would be adequately covered by insurance.

12. 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 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.

13. Economic Dependency:

The Council receives the majority of its revenue from funds provided through grants administered by the Louisiana Governor's Office of Elderly Affairs. 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.

14. Transfers:

Operating transfers in and out are listed by fund for the year ended June 30, 2003:

| Funds Trans. Out | Funds Transferred In | | | | | | Total Out |
|---------------------|--------------------------|-------------------------|---------------------|---------------------|----------------|-----------------|-------------------|
| | Title III C Admin. | Title III B Svcs. | Title III C-1 | Title III C-2 | Title III D | Title III E | |
| Senior Ctr. | \$ - | \$ 31,061 | \$ - | \$ - | \$ - | \$ - | \$ 31,061 |
| NSIP | - | - | - | 34,366 | - | - | 34,366 |
| Senior Supp. | - | 3,825 | - | - | - | - | 3,825 |
| General Fund | 4,015 | 84,821 | 208 | 29,676 | 244 | 1,966 | 120,930 |
| Total In | \$ 4,015 | \$ 119,707 | \$ 208 | \$ 64,042 | \$ 244 | \$ 1,966 | \$ 190,182 |

15. Premium Only Cafeteria Plan:

In May, 1999, the Council adopted a Premium Only Cafeteria Plan for its employees. Under this plan an eligible employee can elect to have a portion of his/her compensation deducted to pay for personal health insurance that the employee would normally have to pay with "after tax" compensation. Participation in this plan is at the option of each employee.

16. 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, including workers' compensation and employee health and accident insurance, that might arise should one of these incidents occur. No settlements were made during the year that exceeded the Council's insurance coverage.

BOSSIER COUNCIL ON AGING, INC.

Notes to Financial Statements
June 30, 2003

17. Interfund Loans:

Because the Council operates most of its programs under cost reimbursement type grants, it has to pay for costs using its General Fund money and then request reimbursement for the advanced costs under the grant programs. A summary of these interfund loans at June 30, 2002, were as follows:

| | Due From Other Funds | Due To Other Funds |
|-----------------------------|-------------------------|-----------------------|
| General Fund | \$ 369 | \$ 14,772 |
| Special Revenue Funds: | | |
| Title III B Services | 271 | 640 |
| PCA | 5,581 | - |
| NSIP | 9,191 | - |
| Total Special Revenue Funds | <u>15,043</u> | <u>640</u> |
| Total All Funds | <u>\$ 15,412</u> | <u>\$ 15,412</u> |

18. Operating Leases:

At June 30, 2003, the Council was obligated under month to month operating leases for office space and equipment. The Council leases its office space for \$300 per month and a telephone system for \$165 per month. Total rent expense for operating leases was \$4,261 for the year ending June 30, 2003.

19. Miscellaneous Revenue:

Other miscellaneous revenue for the General Fund at June 30, 2003, consisted of the following:

| | |
|--------------------------------|------------------|
| Krewe of Elders | \$ 9,636 |
| Donation of Vehicle – Harrah’s | 17,206 |
| Senior Center Recreation Dance | 16,128 |
| United Way | 10,165 |
| San Antonio Trip | 8,775 |
| New Orleans Trip | 7,952 |
| Vicksburg Trip | 2,485 |
| Helping Hand Fund | 3,679 |
| Laps for Lunches | 7,042 |
| Flu Shots | 2,123 |
| Miscellaneous | 12,492 |
| Total Miscellaneous Revenue | <u>\$ 97,683</u> |

20. Subsequent Events:

On July 30, 2003, the Council signed a promissory note with Citizens National Bank for \$30,050 at 7.95% with one payment due October 28, 2003, for operating cash until receipt of additional funding for fiscal year June 30, 2004.

Bossier Council on Aging, Inc. closed the Krewe of Elders bank account in July 2003. The Council is no longer responsible for the operations of this program in any manner.

The Council received two vehicles in August 2003 from the Louisiana Department of Transportation and Development matching grant program.

BOSSIER COUNCIL ON AGING, INC.

Schedule of Program Revenues, Expenditures,
and Changes in Fund Balances - General Fund
For the Year Ended June 30, 2003

| | <u>Local</u> <u>(Unreserved)</u> | <u>PCOA</u> <u>(Act 735)</u> | <u>Totals</u> |
|---|-------------------------------------|---------------------------------|------------------|
| Revenues: | | | |
| Intergovernmental: | | | |
| Governor's Office of Elderly Affairs | \$ - | \$ 22,238 | \$ 22,238 |
| Local governments | 170,457 | - | 170,457 |
| Miscellaneous | 97,683 | - | 97,683 |
| Total revenues | <u>268,140</u> | <u>22,238</u> | <u>290,378</u> |
| Expenditures: | | | |
| Personnel | 34,136 | - | 34,136 |
| Fringe | 2,984 | - | 2,984 |
| Travel | 4,548 | - | 4,548 |
| Operating services | 63,508 | - | 63,508 |
| Operating supplies | 22,387 | - | 22,387 |
| Other costs | 6,807 | - | 6,807 |
| Capital outlay | 34,701 | - | 34,701 |
| Total expenditures | <u>169,071</u> | <u>-</u> | <u>169,071</u> |
| Excess of revenues over expenditures | <u>99,069</u> | <u>22,238</u> | <u>121,307</u> |
| Other financing uses: | | | |
| Proceeds from debt | 16,870 | - | 16,870 |
| Operating transfers out | (98,692) | (22,238) | (120,930) |
| Total other financing sources (uses) | <u>(81,822)</u> | <u>(22,238)</u> | <u>(104,060)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 17,247 | - | 17,247 |
| Fund balance at beginning of year | 11,216 | - | 11,216 |
| Fund balance at end of year | <u>\$ 28,463</u> | <u>\$ -</u> | <u>\$ 28,463</u> |

Supplementary schedule presented for purposes of additional analysis only.

BOSSIER COUNCIL ON AGING, INC.

Schedule of Program Expenditures - Budget vs. Actual
For the Year Ended June 30, 2003

| | Budgeted Expenditures | Actual Expenditures | Favorable (Unfavorable) Variance |
|--|--------------------------|------------------------|--|
| <u>Local:</u> | | | |
| Personnel | \$ | \$ 34,136 | \$ (34,136) |
| Fringe | NO | 2,984 | (2,984) |
| Travel | BUDGET | 4,548 | (4,548) |
| Operating services | ADOPTED | 63,508 | (63,508) |
| Operating supplies | | 22,387 | (22,387) |
| Other cost | | 6,807 | (6,807) |
| Capital outlay | | 34,701 | (34,701) |
| Transfers out | | 98,692 | (98,692) |
| Totals | \$ - | \$ 267,763 | \$ (267,763) |
| <u>PCOA (Act 73S):</u> | | | |
| Transfers out: Title III-B | \$ 22,238 | \$ 22,238 | \$ - |
| Totals | \$ 22,238 | \$ 22,238 | \$ - |
| <u>Title III C - Area Agency Administration:</u> | | | |
| Personnel | \$ 22,377 | \$ 22,556 | \$ (179) |
| Fringe | 2,101 | 1,948 | 153 |
| Travel | 302 | - | 302 |
| Operating services | 5,439 | 9,927 | (4,488) |
| Operating supplies | 903 | 1,477 | (574) |
| Other cost | 325 | - | 325 |
| Capital outlay | 446 | - | 446 |
| Totals | \$ 31,893 | \$ 35,908 | \$ (4,015) |
| <u>Title III B - Supportive Services:</u> | | | |
| Personnel | \$ 157,963 | \$ 159,340 | \$ (1,377) |
| Fringe | 14,762 | 14,007 | 755 |
| Travel | 2,732 | 4,800 | (2,068) |
| Operating services | 28,849 | 19,665 | 9,184 |
| Operating supplies | 16,347 | 16,450 | (103) |
| Other cost | 4,336 | 4,031 | 305 |
| Capital outlay | 15,619 | 7,424 | 8,195 |
| Totals | \$ 240,608 | \$ 225,717 | \$ 14,891 |

Supplementary schedule presented for purposes of additional analysis only.

BOSSIER COUNCIL ON AGING, INC.

Schedule of Program Expenditures - Budget vs. Actual
For the Year Ended June 30, 2003

| | Budgeted Expenditures | Actual Expenditures | Favorable (Unfavorable) Variance |
|---|--------------------------|------------------------|--|
| <u>Title III C-1 Congregate Meals:</u> | | | |
| Personnel | \$ 31,815 | \$ 38,570 | \$ (6,755) |
| Fringe | 2,974 | 3,015 | (41) |
| Travel | 210 | - | 210 |
| Operating services | 3,400 | 7,259 | (3,859) |
| Operating supplies | 1,255 | 878 | 377 |
| Meal costs | 26,760 | 26,790 | (30) |
| Other costs | 152 | 1,194 | (1,042) |
| Capital outlay | 126 | - | 126 |
| Totals | <u>\$ 66,692</u> | <u>\$ 77,706</u> | <u>\$ (11,014)</u> |
| <u>Title III C-2 Home Delivered Meals:</u> | | | |
| Personnel | \$ 72,114 | \$ 65,132 | \$ 6,982 |
| Fringe | 6,745 | 5,930 | 815 |
| Travel | 8,711 | 5,750 | 2,961 |
| Operating services | 13,057 | 12,415 | 642 |
| Operating supplies | 7,956 | 5,969 | 1,987 |
| Meal costs | 114,288 | 100,370 | 13,918 |
| Other costs | 368 | 1,194 | (826) |
| Capital outlay | 423 | - | 423 |
| Totals | <u>\$ 223,662</u> | <u>\$ 196,760</u> | <u>\$ 26,902</u> |
| <u>Title III D - Preventive Health:</u> | | | |
| Operating supplies | \$ 5,017 | \$ 4,761 | \$ 256 |
| Capital outlay | - | 500 | (500) |
| Totals | <u>\$ 5,017</u> | <u>\$ 5,261</u> | <u>\$ (244)</u> |
| <u>Title III E - Caregiver:</u> | | | |
| Personnel | \$ 26,750 | \$ 26,512 | \$ 238 |
| Fringe | 2,499 | 2,307 | 192 |
| Travel | 2,046 | 2,667 | (621) |
| Operating services | 832 | 1,938 | (1,106) |
| Operating supplies | 3,838 | 2,385 | 1,453 |
| Other costs | 50 | - | 50 |
| Capital outlay | 68 | - | 68 |
| Totals | <u>\$ 36,083</u> | <u>\$ 35,809</u> | <u>\$ 274</u> |
| <u>Senior Center:</u> | | | |
| Personnel | \$ 17,990 | \$ 17,086 | \$ 904 |
| Fringe | 1,918 | 1,429 | 489 |
| Operating services | 4,078 | - | 4,078 |
| Transfers out: Title III-B | 25,590 | 31,061 | (5,471) |
| Totals | <u>\$ 49,576</u> | <u>\$ 49,576</u> | <u>\$ -</u> |

Supplementary schedule presented for purposes of additional analysis only.

BOSSIER COUNCIL ON AGING, INC.

Schedule of Program Expenditures - Budget vs. Actual
For the Year Ended June 30, 2003

| | Budgeted Expenditures | Actual Expenditures | Favorable (Unfavorable) Variance |
|---------------------------------------|--------------------------|------------------------|--|
| FEMA: | | | |
| Operating supplies | NO BUDGET | \$ 26,536 | \$ (26,536) |
| | ADOPTED | | |
| Totals | \$ - | \$ 26,536 | \$ (26,536) |
| NSIP: | | | |
| Transfers out: Title III-C-2 | \$ 32,000 | \$ 34,366 | \$ (2,366) |
| Audit: | | | |
| Other costs | \$ 2,109 | \$ 2,109 | \$ - |
| PCA (Personal Care Attendant): | | | |
| Personnel | NO BUDGET | \$ 30,378 | \$ (30,378) |
| Fringe | ADOPTED | 2,627 | (2,627) |
| Travel | - | 3,003 | (3,003) |
| Other costs | - | 3,500 | (3,500) |
| Totals | \$ - | \$ 39,508 | \$ (39,508) |
| Supplemental Senior Center: | | | |
| Transfers out: Title III-B Services | \$ 3,825 | \$ 3,825 | \$ - |
| Total expenditures | \$ 713,703 | \$ 1,023,082 | \$ (309,379) |

Supplementary schedule presented for purposes of additional analysis only.

BOSSIER COUNCIL ON AGING, INC.
 Schedule of Priority Services -
 Title III, Part B - Grant for Supportive Services
 For the Year Ended June 30, 2003

| | | | <u>% of GOEA GRANT</u> |
|--|--------------------------|------------------|----------------------------|
| Access (30%): | Transportation | \$ 127,201 | |
| | Information & assistance | 7,999 | |
| | Outreach | <u>14,681</u> | |
| | Total access expenses | 149,881 | <u>176.67%</u> |
| In-Home (15%): | Homemaker | <u>70,805</u> | |
| | Total in-home expenses | 70,805 | <u>83.46%</u> |
| Legal (5%): | Legal assistance | 4,031 | <u>4.75%</u> |
| Non-priority services | | <u>1,000</u> | |
| Total Title III B - Supportive Services expenditures | | 225,717 | |
| Less: Participant contributions | | (13,937) | |
| Other public support | | (62,581) | |
| Transfers in | | <u>(57,126)</u> | |
| Title III B - Supportive Services grant | | 92,073 | |
| Less: State homemaker | | <u>(7,236)</u> | |
| Original grant award net of additional state homemaker and transportation funds | | <u>\$ 84,837</u> | |

Supplementary schedule presented for purposes of additional analysis only.

Schedule 5

BOSSIER COUNCIL ON AGING, INC.

Compensation to Board Members

Year Ended June 30, 2003

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.

BOSSIER COUNCIL ON AGING, INC.

Exit Conference
Year Ended June 30, 2003

A preliminary exit conference was held September 24, 2003, to discuss the findings of this report and other matters that came to our attention during our audit. Those in attendance included:

| | |
|--------------------------|---------------------------|
| Mary Anne Rankin | Executive Director |
| Tom Cooper | Bookkeeper |
| Christine S. Wasner, CPA | Smith Pugh & Company, LLP |
| Deborah Lafitte | Bookkeeper |

BOSSIER COUNCIL ON AGING, INC.

Comparative Schedule of General Fixed Assets and Changes in General Fixed Assets
Year Ended June 30, 2003

| | Balance June 30, 2002 | Additions | Deletions | Balance June 30, 2003 |
|--|--------------------------|------------------|------------------|--------------------------|
| General fixed assets at cost: | | | | |
| Vehicles | \$ 168,704 | \$ 34,075 | \$ 10,613 | \$ 192,166 |
| Furniture and equipment | 11,247 | 1,125 | - | 12,372 |
| Total general fixed assets | <u>\$ 179,951</u> | <u>\$ 35,200</u> | <u>\$ 10,613</u> | <u>\$ 204,538</u> |
| Investment in general fixed assets: | | | | |
| Property acquired with funds from: | | | | |
| Title III B - AAA | \$ 1,238 | \$ - | \$ - | \$ 1,238 |
| Title III B - SS | 28,256 | - | - | 28,256 |
| Title III D | - | 500 | - | 500 |
| Senior Center | 1,500 | - | - | 1,500 |
| Other | 2,000 | 17,206 | - | 19,206 |
| Local | 146,957 | 17,494 | 10,613 | 153,838 |
| Total investment in general fixed assets | <u>\$ 179,951</u> | <u>\$ 35,200</u> | <u>\$ 10,613</u> | <u>\$ 204,538</u> |

Supplementary schedule presented for purposes of additional analysis only.



Certified Public Accountants • Management Consultants • Business Advisors

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

Board of Directors
Bossier Council on Aging, Inc.
Bossier City, Louisiana

We have audited the general purpose financial statements of the Bossier Council on Aging, Inc., as of and for the year ended June 30, 2003, and have issued our report thereon dated September 24, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Bossier 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 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying Schedule of Audit Findings as Finding 2003-01. We noted certain immaterial instances of noncompliance that we have reported to management of Bossier Council on Aging, Inc. in a separate letter dated September 24, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bossier 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 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 management, the Board of Directors and others within the organization, the Governor's Office of Elderly Affairs and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Smith Pugh & Company, LLP

Certified Public Accountants
Shreveport, Louisiana

September 24, 2003

BOSSIER COUNCIL ON AGING, INC.

Schedule of Audit Findings
Year Ended June 30, 2003

FINDINGS RELATED TO COMPLIANCE

2003-01: Budget

Criteria: The Governor's Office of Elderly Affairs requires budget variances to be less than 10% in program cost categories.

Condition: The following programs / costs categories exceed 10% variances:

| | |
|-----------------------------------|--|
| Title III C - Area Agency Admin. | Operating Services Operating Supplies |
| Title III B - Supportive Services | Travel |
| Title III C-1 - Congregate meals | Personnel Operating Services Other costs |
| Title III D - Preventive Health | Capital outlay |
| Title III E - Caregiver | Travel Operating services |
| Senior Center | Transfers out |
| NSIP | Transfers out |

Recommendation: We recommend that management review the final budget revision to ensure that the actual expenses are within the accepted 10% tolerance required by GOEA.



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A Bright Adventure For Your Golden Years

Board of Directors

Claudine Bond
President

Catherine Vanderberry
1st Vice President

Joyce C. Jeffrey
2nd Vice President

Doyle Adams
Treasurer

Jeff Cox
Secretary

Jerome Dismuke
W. Bryan Doxey

Marguerite Loftin
David Montgomery, Jr.

James H. Pieper
Ursula Phillips

Alice Roberts
Mildred Scotto

Lo Walker
Willie Williams

Mary Anne Rankin
Executive Director

Sites

706 Barkat Dr.
Bossier City, LA
71111

East Oak St.
Plain Dealing, LA
71067

November 5, 2003
Legislative Auditor, State of LA
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sir:

During our recent audit, the following needed to be addressed.

Title III C Area Agency Administration:
Operating Services - Increases in telephone expense and insurance.
Operating Services - Underestimated operating supply purchases.

Title B Supportive Services:
Travel - Underestimated travel in Homemaker and Outreach services.

Title C-1:
Personal - Underestimated Site Manager salaries.
Operating Services - Increase Telephone expenses and general insurance.
Other costs - Under estimated computer system costs.

Title III Preventive Health:
Capital Outlay -- Did not originally set up capital outlay item.

Title III Caregiver:
Travel - Underestimated Caregiver travel expenses.
Operating Services - Underestimated in indirect expenses.

Senior Center - Budgeted more than actual expenses.

USDA (NSTP) - - Under budgeted USDA Funds.
We simply received more money than was expected for the year.

Personnel Handbook: - Our policies are not clearly written. But the wording used is accrued leave, so any vacation time accrued is paid to the employee upon their departure. This practice was also suggested by a consultant formerly employed by the Labor Department to avoid any employee complaints later on.

Sincerely,

Mary Anne Rankin
Executive Director



BOSSIER COUNCIL ON AGING, INC.

**Schedule of Prior Audit Findings
Year Ended June 30, 2003**

FINDINGS RELATED TO COMPLIANCE

2002-01: Budget

Criteria: The Governor's Office of Elderly Affairs requires budget variances to be less than 10% in program cost categories.

Condition: The following programs/costs categories exceed 10% variances:

| | |
|----------------------------------|--|
| Title III C - Area Agency Admin. | Operating Services Operating Supplies |
| Title III C-1 - Congregate meals | Operating Services |
| Title III E - Caregiver | Operating Supplies |
| USDA | Transfers out |

Current Status: A similar finding is also reported for fiscal year June 30, 2003.
See Finding 2003-01

2002-02: Pledged Securities

Criteria: Under state law, the Council's bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank.

Condition: During the month of January and February 2002, the Council's bank deposits were in excess of the federal deposit insurance of \$100,000 for three days.

Current Status: No similar finding was reported for fiscal year June 30, 2003.